

Legislative Assembly of Alberta

Title: **Tuesday, May 29, 2007**

1:00 p.m.

Date: 07/05/29

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. We confidently ask for strength and encouragement in our service to others. We ask for wisdom to guide us in making good laws and good decisions for the present and future of Alberta. Amen.

Please be seated.

head: **Introduction of Guests**

The Speaker: The hon. Deputy Speaker.

Mr. Marz: Thank you, Mr. Speaker. This morning you hosted the Commonwealth Parliamentary Association bursary and essay contest award presentation ceremony in the Legislature Building. The bursaries are presented annually by the Alberta branch of the CPA to young people from TUXIS, Alberta Girl's Parliament, and the grade 6 essay contest. It gives me great pleasure to introduce to you and through you to the members of the Assembly the award winners and their guests, who are seated in your gallery. I would ask that the guests rise as I call their names.

The first-place CPA essay contest winner, Allyson Kupchenko from Strathcona, and her parents, John and Christine Kupchenko, grandmother Jutta Ferko, brother Mitch Kupchenko, and Candy and Kailee Dilley, family friends.

The third-place CPA essay contest winner, Emma Maria Van Loon from the Barrhead-Morinville-Westlock constituency, and her mother, Ilse Van Loon, siblings Anne, Vincent, and Lisa, and family friends Jack and Alice Burlet from Barrhead.

The Alberta Girls' Parliament recipients are Rebecca Bootsman from Edmonton-Centre and her mother, Heather Nickless; Amanda Garrow of Calgary-Foothills and her parents, Pam and Curtis Garrow, and sister Naddison Garrow. They are accompanied by their adviser, Ms Edie Jubenville.

The TUXIS organization is represented by Mr. Tim Beechey, chairman of TUXIS.

Please give our guests the very warm welcome of the House.

The Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Well, thank you, Mr. Speaker. A little bit earlier today I had the pleasure of having my picture taken with 50 of Alberta's brightest and best students. They are from the Calmar school, and they've come to visit us in the Legislature today. They're actually going around collecting autographs from some of the MLAs and talking about our favourite hockey teams. But let me tell you something else, and that is that they're accompanied by one of their teachers, Mrs. Jeanette Wilson, who is the mother of page Luke Wilson and former page Natalie Wilson. Also along with the 50 students is Mrs. Angie Podgurny, Mrs. Kathleen Sikliski, Mrs. Kathy Timmons, Mrs. Tammy Vandenberghe, Mr. Troy Mutch, Mrs. Lori Workun, Mrs. Randy Doolittle, Mrs. Tania Gartner, and Ms Heidi Hough. I would ask them all to stand and receive the traditional warm welcome of the Assembly.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. It's my privilege to introduce to you and through you to all hon. Members of this Legislative Assembly Jon Friel. Jon Friel was born in Moose Jaw, Saskatchewan. He left Moose Jaw and went to the University of Saskatchewan, where he was a linebacker for the University of Saskatchewan Huskies, and much to his mother's surprise he also excelled at academics. He has been retired for 32 years from Corrections Canada and now runs a private practice as a psychologist. He is still active as a hockey player in Sherwood Park. Dr. Friel is married. He's a proud grandfather of a grandson and granddaughter. He lives in Sherwood Park. He shops frequently at Toys "R" Us. In the last election he got 4,115 votes. Dr. Friel is in the members' gallery, and I would ask him to now rise and receive the warm, traditional welcome of this Assembly.

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

Mr. Agnihotri: Thank you, Mr. Speaker. It's my great honour to rise and introduce to you and through you to all members of the Assembly a group of 35 bright grade 6 students from St. Richard elementary school in my riding, accompanied by their teachers Roxanne Rachinski and Elizabeth Evaristo. They are all seated in the public gallery. I want to thank them for coming to the Legislature. I request them to please rise and receive the warm welcome of the Assembly.

Thank you.

The Speaker: The hon. Member for Strathcona.

Mr. Lougheed: Thank you, Mr. Speaker. I'm pleased to introduce to you and through you to the members assembled my constituency assistant in Strathcona constituency, Laurette Strong, and the student working with us during the summertime, a student of the U of A political science program, Brittney Timperley. I'd ask them to please rise and receive the traditional warm welcome of the Assembly.

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

Dr. B. Miller: Thank you, Mr. Speaker. It's an honour for me to introduce to you and through you to all members of the House three people from my constituency of Edmonton-Glenora: Mary Ladouceur, Eunice Minkler, and Norma Bower. They are back again. They were here a few weeks ago. They are still concerned about the unacceptable high increase in rents in our community. I invite them to stand and receive the warm welcome of the House.

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

Mr. R. Miller: Thank you very much, Mr. Speaker. It's my pleasure as well to reintroduce a guest who was here a couple of weeks ago to hear her questions asked during the debate of Bill 34, and she's back again to follow up on that visit: Ms Marilyn Sjulstad, from the constituency of Edmonton-Rutherford. She's rising in the public gallery, and I would ask all members to give her the traditional warm welcome of this Assembly.

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

Mrs. Mather: Thank you, Mr. Speaker. I would like to introduce to you and through you to all members of the Assembly three individuals who care for children and families in Alberta. The first is Anita Moore, board chair for Hospitals and Community Daycare

in Edmonton; the second is Cyndi Deloyer, Fort McMurray Family Crisis Society; and finally, Nancy Ranu, Rainbow daycare society, Edmonton. I'd like them to rise and please accept the traditional warm welcome of the Assembly.

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

Mr. Mason: Thanks very much, Mr. Speaker. I'm delighted to introduce to you and through you to this Assembly Richard Yiu and John Hladik. Richard and John are Palace Casino workers entering their 263rd day on strike. These Alberta workers have been on strike due in part to this government's unwillingness to create labour legislation that protects workers from unfair employers.

Richard has been at the Palace Casino for five years as a card dealer. He's a father of one daughter and one son. He works full-time at the casino, and in his off time he enjoys visiting other casinos and partaking in gaming.

John has worked at the casino for five years as a dealer. John has been active in community sports throughout his life but in the last few years has decided to relax a bit and enjoy his time a little bit more and take his mind off his trouble with a good book.

They are joined by UFCW 401 representative Don Crisall, and I would now ask that they rise and receive the traditional warm welcome of this Assembly.

The Speaker: Hon. Member for Little Bow, you have guests coming a little later?

Mr. McFarland: Yes.

head:

Members' Statements

The Speaker: The hon. Member for Calgary-Fort.

Asian Dinner for the Homeless

Mr. Cao: Thank you, Mr. Speaker. Today I rise to speak about an event at the Calgary Drop-in & Rehab Centre. On the occasion of the Asian Heritage Month of May a group of caring Albertans organized a taste of Asia dinner for the homeless. I took only a small part in it, so I want to thank those who organized this special dinner: Kim Hoang, Manh Hong Nguyen, Eric Sit, Vicky Hong, Kim Yoon, Jason Klinck, Evelyn and Doug Porter, Gwendoline Cham, Amtul and Naem Khan, and many individual volunteers, particularly from the MSBCA Association, the Ahmadiyya Muslim Community, and the Calgary Centre for Newcomers.

We served meals and performed musical entertainment for 1,300 homeless Albertans. I did partake in the meals and sang a couple of songs along with our homeless guests. It was an uplifting feeling for all of us who were there.

1:10

Mr. Speaker, I would like to share with you what is written about the homeless.

Homelessness has many faces. When visible, homelessness stands on street corners and panhandles, huddles beneath blankets in city parks or digs through garbage bins looking for bottles.

Sometimes, homelessness is not visible. A cousin couch surfs for a few weeks after leaving his girlfriend or losing his job. A woman hides [away] at a friend's while trying to get out of an abusive relationship. A friend moves from the other side of the country and needs a place to stay until he/she can find a job and afford a place to live.

Homelessness has many causes. Addictions, mental [illness], life crises, illness, bad decisions, escalating rent, conversion of rental

units into condominiums, economic booms leading to escalating rents and urban redevelopment.

Homelessness is numbing. It rips away self-esteem, destroys hope and breaks apart families.

I should note that the funding . . .

The Speaker: And I think, hon. member, we're going to thank you and move on to the hon. Member for Calgary-Lougheed.

4-D Human Atlas Project

Mr. Rodney: Thank you, Mr. Speaker. It's my pleasure today to rise to share a truly inspirational story based right here in Alberta. Last week Dr. Christoph Sensen and his team in Calgary unveiled a stunning new application of a technology which will benefit people around the world and will continue to move our province to the forefront of the international technology landscape. The 4-D human atlas project is a federal/provincial collaboration which is actually three provincial success stories in one. KasterStener Publications, a Red Deer company, and the WEPA team, based at the U of C, have employed the computer programming language Java 3D, which was created by a Calgarian, James Gosling, to convert anatomical and graphic details in ways that clinicians have only dreamed about.

Mr. Speaker, I witnessed the technology myself last week, and I can tell you that even when you see it with your own eyes, it's almost impossible to believe. Not only are the images in 3-D; they are also life sized and on four screens. The detail is 10 times clearer than any other system on Earth, and the images are customized to each individual's unique DNA. Then the fourth dimension is added, and the resultant demonstration of what happens to each body system and between each system when exposed to pharmaceuticals, illicit drugs, and disease over time will change the way we conduct research. Just as critical is the ability to evaluate treatment options in conditions like Alzheimer's, diabetes, and cancer, and there are amazing surgical applications as well. For example, doctors can actually practise open-heart surgery on a patient without ever even touching them.

This incredible project is evidence of what can be done in this province when government, industry, and academic interests collaborate for the advancement of science and technology as we work together to improve the quality of life for Albertans.

Thank you, Mr. Speaker.

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

Lieutenant Governor of Alberta Arts Awards

Mr. Zwozdesky: Thank you. Mr. Speaker, the arts contribute enormously to the cultural, educational, social, and economic well-being of our province, yet the artists, the arts organizations, their staff and volunteers, sometimes do go underrecognized for the contributions they make. However, I'm very pleased that one of the top priorities for our new government is additional recognition of and support for the arts, including new initiatives and increased funding for the arts as announced recently by our Minister of Tourism, Parks, Recreation and Culture.

We also have arts scholarships that are presented on an annual basis on behalf of the province, such as the Lieutenant Governor of Alberta arts awards program, which was created to celebrate excellence in the arts and to underline the importance of the arts in Alberta.

Today it's my great pleasure to recognize the 2007 winners of the Lieutenant Governor of Alberta arts awards, which were presented in Lloydminster last Saturday. I know that our hon. President of the Treasury Board, who is also the MLA for Vermilion-Lloydminster,

was in attendance along with the special guest, the Lieutenant Governor, to celebrate this occasion.

This year's recipients were Greg Hollingshead, Edmonton author and professor emeritus at the University of Alberta; One Yellow Rabbit, a Calgary ensemble of theatre artists; Tom and Isobel Rolston, the Banff Centre's husband and wife musical team. Each of these artists or artist groups received a cheque for \$30,000 in recognition of their outstanding achievements and significant contributions to the arts, and each one of them spoke very glowingly about being an artist in Alberta.

Additional shortlisted artists included Bob Baker, the artistic director of Edmonton's Citadel Theatre; Rudy Wiebe, an Edmonton writer and editor; and Sharon Pollock, a Calgary author and playwright. Each of these artists received a cheque for \$5,000.

Mr. Speaker, I would ask that all Members of the Legislative Assembly join me in congratulating these very creative Albertans for their artistic skills, for what they do to open our eyes to our new perspectives, and perhaps most importantly for their dedication to enriching our lives, which contributes to the quality of life in Alberta.

Child Care Professionals

Mrs. Mather: Mr. Speaker, I draw the attention of my fellow members to child care professionals. Their duties place them in loco parentis, as teachers are. Unlike teachers they have no professional act to secure their standing. What they do is indispensable, yet we dismiss it as babysitting.

Recognition of professional child care goes back at least as far as the agreement between the pharaoh's daughter and Moses' mother. Many of the first child care workers were slaves. Alexander the Great expressed appreciation and admiration for the slave who reared him. A century ago many Americans paid tribute to the black nannies who brought them up, whose lot was little better than slaves.

In the movie *Why Shoot the Teacher?* we see the disrespectful way many teachers were treated during the Depression. In Alberta it took a new government led by a teacher to introduce legislation that treated teachers fairly.

A historical footnote. The six-sided Star of David is linked to a leader who began as a shepherd. Shepherds were looked down on then. The sophisticated considered them coarse. David's brothers, who were soldiers, thought him inferior. When a prophet came for his sons, David's father didn't include him. When asked, "Are these all your sons?" he replied, "There's one more with the sheep." The Hebrews' greatest king was a shepherd, who raised the status of shepherd from casual labourer to strong leader.

I have a challenge for the leader of our government, who carries with pride his profession as one who cares for the land. I urge him to show a similar regard for those who care for children. If he does, future Albertans may regard him as one who established the rule of heart and hand over the demands of the marketplace.

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

Affordable Student Housing

Dr. Pannu: Thank you, Mr. Speaker. The preparation of a qualified workforce should be a strategic goal for the future development of this province. However, under the policies of this government the university participation rate of about 16 per cent has remained the lowest in the country for several years. This is largely a result of the growing costs of pursuing postsecondary education in this province, and the cost of housing accounts for a large part of that increase.

When the government refused to adopt rent control guidelines, it left many Albertans unprotected, including thousands of students who are facing excessive rent increases all over the province.

Mr. Speaker, the average debt of an Alberta graduate is approximately \$20,000. The decision of the government not to control rent increases will only add to the burden that students and their families already bear. Many students come from rural areas and depend on affordable housing in the city. Student organizations have repeatedly complained about the shortage of housing appropriate to the needs of students. An average Albertan who wants to attend university or college and who lives away from home has few options to finance her or his education and is disproportionately likely to live below the poverty line.

Student loans are often the only means to handle the ever-escalating costs of pursuing higher education. As we know, these loans are controlled by a limit on the total amount and the living allowance. A recent increase of 14 per cent in the monthly living allowance can hardly offset exorbitant rent increases that await tens of thousands of postsecondary students as they prepare to return to school at the end of August. Students not only will face immediate hardship; they will be even more indebted in the long run when they graduate.

Instead of forcing large numbers of Albertans to incur massive debts, Mr. Speaker, the government should provide conditions for individuals to pursue an affordable higher education. Alleviating the student housing crunch and preventing rent gouging are vital measures to build a modern and ready-for-the-future workforce.

Thank you, Mr. Speaker.

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

U of A Augustana Faculty Convocation

Mr. Johnson: Thank you, Mr. Speaker. This past Sunday I had the great pleasure to attend and be the guest speaker at the University of Alberta Augustana faculty's annual convocation in Camrose. This was a special opportunity for me to reminisce on Augustana's history as I was a faculty member and administrator at Augustana for 30 years and prior to that a student.

This year 154 students received bachelor's degrees in arts, science, management, and music. Hundreds of these students' families, friends, and faculty were in attendance at Augustana's convocation hall. It was Augustana's third convocation under the University of Alberta banner.

1:20

Natalie Rayment, a bachelor of music graduate, received the Augustana medal during the ceremony. This medal is the highest academic honour at Augustana and is given to a student for academic excellence and outstanding campus leadership.

As I have mentioned in this Assembly before, Augustana is undergoing a period of growth and construction as a result of its merger with the University of Alberta. For example, Augustana is an important partner in the Camrose regional sport development centre, which will open this fall.

Most important to Augustana's growth is the construction of a new library, which is well under way, the groundbreaking having taken place last month. The library project will extend into the construction of the Augustana forum, which will contain student space, classrooms, and administrative offices. The new library and the forum project have been long awaited and dreamed about on campus for decades. They are both integral to the future of Augustana and will support additional students in the decades to come.

I am very pleased to say that our government is committed to completion of both facilities. This commitment is an important part of the fulfillment of the merger agreement between Augustana and the University of Alberta, which has put Augustana on firm footing for its second century, beginning in 2010.

Thank you.

The Speaker: Hon. members, just a brief reminder that on your desks I've provided all of you a notice of an event that will take place tomorrow morning, Wednesday, May 30, at 9:30 in the Legislature rotunda. We'll make available to the public of Alberta a series of books that we've been working on for five years called the Centennial Series. Over 180 people have now indicated their intent to be present, so if hon. members choose to come, would you kindly convey your availability to my office later this afternoon so we'll have sufficient chairs.

head: **Tabling Returns and Reports**

The Speaker: The hon. the Premier.

Mr. Stelmach: Thank you. Mr. Speaker, I'm pleased to rise today to table Alberta's Promise 2006 report to the community, highlighting the achievements of Alberta's Promise partnerships created last year. As chair I'm proud to report that to date there are more than 1,000 partners across this province – last year about 600; we gained 400 – all working together to do more work for Alberta's children and youth. Our young people are the most visible beneficiaries of the partnerships established. Communities, service clubs, and businesses also benefit through their involvement. This report has been distributed to media throughout the province and is available online as well.

Thank you.

The Speaker: The hon. Minister of Agriculture and Food.

Mr. Groeneveld: Thank you, Mr. Speaker. I'm pleased to table responses to questions raised during the debate of Government Motion 20 on May 15. As well, I'm tabling responses to questions raised during Committee of Supply for Agriculture and Food on May 17, 2007.

Mr. Snelgrove: Mr. Speaker, I table responses to the questions on May 8 of the Committee of Supply with regard to Treasury Board.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I have five tablings today. The first is an e-mail from July 31, 2006. This e-mail is from individuals in the Department of Infrastructure and Transportation, and it's regarding the proposed east Balzac development area.

The second tabling is also from July 31, 2006, and it's an e-mail from Infrastructure and Transportation officials. It's a rejection of money for the east Balzac development area from that department.

The third tabling I have is a memorandum from Alberta Agriculture and Food, dated January 22, 2007. It's in regard to the grant agreement with the municipal district of Rocky View No. 44 for \$8.2 million.

The fourth tabling I have is a letter from the hon. minister of agriculture, food and rural development, dated August 16, 2006, and it's regarding the grant assistance, the approval of the \$8.2 million for an industrial wastewater infrastructure project.

My last tabling is a project evaluation report in regard to the racetrack that's going to be constructed north of Calgary at Balzac.

Thank you.

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

Mr. Taylor: Thank you, Mr. Speaker. It's my pleasure to rise today and table five copies of documents: an interoffice memorandum, a briefing note to the deputy minister, and correspondence between the deputy ministers of agriculture, food, and rural development and Alberta Finance dated 2006 related to the Balzac equine centre.

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

Ms Blakeman: Thank you very much, Mr. Speaker. I would like to table five copies of correspondence from a constituent, Kristine Jassman, who notes that she's a single mother on assistance, and she's trying to start a day home. Her hopes for that were dashed when Capital Housing informed her that the program they were running where they sold off social housing – they decided to tear that particular building down and rebuild a new one starting at \$250,000 as a buy-in price. She noted that a rent cap would have been a prudent thing to do for this government.

My second tabling is also from a constituent, David Gurnett, who notes that as a renter whose rent has risen 54 per cent in the last year, he hopes that the government would consider placing a limit on the amount of rent increase as well as the number of rent increases.

Thank you, Mr. Speaker.

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

Mrs. Mather: Thank you, Mr. Speaker. I'm pleased to table five copies of an e-mail from Stephen Renaud, a member of my constituency, stating:

It is absolutely outrageous that housing has become so unaffordable to many Albertans. Rents are out of control. Too many landlords are taking advantage of the situation and boosting rents to unconscionable levels. This is worse than loan sharking!

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

Mr. Backs: Thank you, Mr. Speaker. I have two tablings. The first is the 2006 annual report for the Edmonton Food Bank.

The second is the Edmonton Food Bank's Plant a Row Grow a Row instruction pamphlet, which draws attention to the press conference and such we had this morning, planting a row for food.

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

Mr. Chase: Thank you very much, Mr. Speaker. I have five sets of tablings reflecting the importance of recognizing and supporting Alberta's children. The first is a handout entitled Know the Bow, that I received last week from students at University elementary school in Calgary-Varsity as part of their SEEDS water conservation recognition assembly. Of the over a million conservation actions taken by children across Canada, Alberta kids are leading the way.

My second tabling, presented to me by grade 3 and 4 UES students, is a series of letters sent to the SRD minister appealing to the government to protect Alberta's endangered species, including the grizzly bear. The letters were authored by Kyran Lackan, Matthew Hunter, Meghan Mehra, Dana Murphy, and Jennifer Omoregie.

My third set of tablings consists of the 2006 annual report for Alberta's Breakfast for Learning, which notes among many high-

lights achievements of having last year served 1,853,379 student meals, an increase of 22 per cent over the previous year, and also noted that 791 individuals volunteer daily to make the program a success.

My fourth tabling is the launch of the Fuel up with Vegetables & Fruit handbook sponsored by the Edmonton Oilers community association. Also worthy of note is that Calgary-based Enmax has come on board in a big way this year to help feed Alberta's children.

My fifth and final tabling is a pamphlet entitled The Breakfast Club, Vegreville's school snack program, which, together with an award handed to the Vermilion breakfast support group, highlights the fact that child hunger in Alberta is not an urban anomaly.

Thank you, Mr. Speaker.

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

Mr. Bonko: Thank you, Mr. Speaker. I have the appropriate number of copies from the Alberta Food Bank Network Association, its 2006 annual report. It highlights the impact that the food bank has not only on city but on rural folks within Alberta.

head:

Tablings to the Clerk

The Clerk: I wish to advise the House that the following documents were deposited with the office of the Clerk. On behalf of the hon. Ms Evans, Minister of Employment, Immigration and Industry, pursuant to the Workers' Compensation Act the Workers' Compensation Board 2006 annual report; responses to questions raised by Mr. MacDonald, hon. Member for Edmonton-Gold Bar, and Dr. Miller, hon. Member for Edmonton-Glenora, on May 15, 2007, the Department of Employment, Immigration and Industry 2007-08 main estimates debate; and the Consulting Engineers of Alberta 2006-2007 annual report.

On behalf of the hon. Mr. Snelgrove, Minister of Service Alberta, pursuant to the Freedom of Information and Protection of Privacy Act the freedom of information and protection of privacy annual report 2005-2006.

head:

Oral Question Period

The Speaker: First Official Opposition main question. The hon. Member for Calgary-Currie.

Red Deer River Water Transfer

Mr. Taylor: Thank you, Mr. Speaker. There was a time when the Premier shared our deep concerns about a proposed water transfer from the Red Deer River to the Balzac megamall and racetrack facility. He went so far as to call it ridiculous, and he promised to get to the bottom of it. We're still waiting. Now the Premier and his ministers hide behind due process in trying to explain what's taking so long on the water licence decision. This process was supposed to have been completed last fall, but it's been delayed and delayed and delayed. To the Premier: why has the decision on the water transfer not been made yet?

1:30

Mr. Stelmach: Mr. Speaker, my information is that the MD pulled the request to apply for a licence. They delayed it, and that's where the matter sits today.

The Speaker: The hon. member.

Mr. Taylor: Thank you, Mr. Speaker. To the Premier again. It's almost four months now since we submitted our FOIP request for

Balzac-related documents to Alberta Environment. The information the Premier just shared with us about the MD pulling the water licence request is certainly interesting, but it's difficult to follow that up when you don't have all the supporting documentation. We are short some 1,700 pages of materials that are being hidden from the public. Will the Premier admit that the release of these documents is being delayed until after this legislative session and the provincial by-elections are over?

Mr. Stelmach: No. It's more of the unfounded allegations. Even yesterday if you really read the *Hansard*, it's like: more evidence. What evidence? A whole bunch of e-mails. Then you follow up today, which I could on every question that was raised. You know, the meeting with the then minister of infrastructure: the meeting was not about water; it was about an entrance and exit off highway 2 to the development. But would they say that in the House? No. You've got to raise that allegation to get everybody watching Alberta: oh, maybe there is something behind this. They continue to do that. We gave them all the FOIP documents; they've had them now for a considerable amount of time. Then the other member starts tabling them. Give them back to the Legislature. Well, you've got all the documents. What are you tabling them for?

Mr. Taylor: Mr. Speaker, that's only a partial fulfillment of his promise to respond to all the allegations yesterday. We do not have those FOIP documents. Let's not forget that the main issue here is that the government has been so supportive of a project that's dependent on taking water from the Red Deer River to service a horse-racing track. Let's not forget that the people in the Red Deer River subbasin were never consulted by the government, that the government was very secretive about the water licence application from the start. The simple fact is that they don't want the people of Drumheller, Stettler, Red Deer to know what they were up to. To the Premier: will the Premier direct his government to release the 1,700 pages of FOIP material that have not been released yet so the public can see what his government is up to?

Mr. Stelmach: Mr. Speaker, part of the information that this critic will not ever say to the public is that notwithstanding the application that has been pulled for the Balzac development, there is water that flows through a pipeline through three communities: Beiseker, Irricana, and Acme. There is water flowing through those communities. It's like they think this is just some big, new decision that was supposed to happen. All the allegations made in this House are totally unfounded. The application has been pulled by the MD. I suspect they're looking for, perhaps, other sources of water, but that's up to them.

The Speaker: Second Official Opposition main question. The hon. Member for Calgary-Currie.

Mr. Taylor: Thank you, Mr. Speaker. The Conservatives have continually denied any involvement in any aspect of this Balzac project, yet it's clear they have been involved up to their eyeballs in every single aspect of this project at every step along the way. Case in point: documents obtained from the Ministry of Finance reveal a high level of support for funding for the Balzac equine centre through the new rural development project fund in July 2006. A couple of problems with that: the new fund was supposed to operate at arm's length from government, and its funding process hadn't even been announced. To the Premier: is this high-level support for funding related to the merits of the project, or is it really about your government's ties to the horse-racing industry? Let's compare oranges to oranges, not oranges to road apples.

Mr. Stelmach: Here again they're trying to twist information more to excite individuals. Any grant program is fully accessible by either those municipalities or whoever can apply for those grant programs. In any application with respect to water there are programs available under various ministries. The number one issue here is: no money unless there is a water licence that's been approved. If there are no approvals, there's no money going to anybody. I'm going to repeat that again. If the MD wants to put the application forward and if it's approved, then money flows. But there is no application before it – they withdrew it – and no money flowing to anybody.

Mr. Taylor: Nevertheless, Mr. Speaker, there was much talk about money flowing.

This same letter between the deputy ministers of Finance and Agriculture indicates that the assistant deputy minister of agriculture has committed to keeping representatives from Olds College "advised of the status of the corporation's developments to ensure that the college has opportunity to best position the initiative for appropriate support from the corporation." That would be the rural development project fund corporation. Does the Premier expect Albertans to believe that this support at the highest levels of government wouldn't influence the decision of a supposedly arm's-length funding agency?

Mr. Stelmach: That, Mr. Speaker, again doesn't read all the way down the e-mail. Those are the tricks that they try and pull in this particular House: always talking about having evidence, all kinds of evidence, but they haven't been able to prove anything or even deliver anything substantial, just parts of e-mails, making allegations against members of this government and members of other communities, especially those of the MD of Rocky View, totally unsubstantiated and misleading. Here's the proof. You have the evidence. Provide it right now. You want to read more e-mails; go ahead. They already have them because he tabled them earlier.

The Speaker: The hon. member.

Mr. Taylor: Thank you, Mr. Speaker. I think the evidence has been tabled. I didn't know that we could use visual aids in the House.

The Speaker: *Hansard* is not a visual aid.

Mr. Taylor: Thank you, Mr. Speaker.

Internal briefing notes indicate that Olds College was promoting the Balzac equine centre as – and you might want to pause to hear this – a legacy for the Deputy Premier. This would be the former Member for Drumheller-Stettler. They wanted to honour her past and continued commitments to the equine industry. They also indicated that because of prior meetings with the Deputy Minister of Finance the project would have "good potential to obtain support." The question everyone wants to know from the Premier is this: what did your government then and why does your government now continue to completely support a project that will draw its water from the Red Deer River over the objections of the people in southern Alberta? Why are you trying to steal their water?

Mr. Stelmach: Mr. Speaker, again, totally wrong information brought forward by the critic. They'll continue to do that, I guess, because they want to make some kind of a point, but they don't have any evidence to present. The application has been withdrawn by the MD of Rocky View. There's no money flowing to any authority. You know, what I hear from the opposition is that ministers are not allowed to meet with any potential developers, any Albertans with

ideas on how to grow the economy in this province, increase employment. We can't do that because all of a sudden it will be somehow in effect contravening or violating any of the grant programs we have.

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

Racing Entertainment Centre Project

Mr. MacDonald: Thank you, Mr. Speaker. Money did flow, and it flowed from the department of agriculture, food and development at that time.

On July 31, 2006, Alberta Infrastructure and Transportation refused a developer's funding request for the waterline at the Balzac racetrack. Sixteen days later, using ministerial discretion, the department of agriculture, food and development granted \$8.2 million from the taxpayers to this development. To the Minister of Agriculture and Food: why did the department use ministerial discretion to fast-track this funding approval when only 16 days earlier Infrastructure and Transportation said "no way" to that project?

The Speaker: The hon. minister.

Mr. Groeneveld: Thank you, Mr. Speaker. The members across have very short memories. They asked the same question on Tuesday, March 20, '07. The answer has not changed. The municipality qualified under a program that's been in existence for nine years now, that no money has flowed until they get a water licence. To say that the money has flowed is erroneous and wrong.

Mr. MacDonald: Mr. Speaker, a letter from that department, tabled in this House this afternoon, indicates that the money did flow.

Again, Mr. Speaker, will the minister of agriculture admit that the ministerial discretion was needed because this development did not fit the government's program requirements?

1:40

Mr. Groeneveld: Mr. Speaker, ministerial discretion was built right into the criteria, and the program started in 1998. The bottom line: documents show department records eligibility.

I don't understand why the opposition across doesn't table the documents that answer the questions as they went about it yesterday, little clips here and there. The answer was right there. All they had to do was finish off the statement, but they come with little clips, and the answer was right there. Why can't they continue on?

Mr. MacDonald: Again, Mr. Speaker, taxpayers will not accept that answer.

Again to the same minister. The project evaluation report states:

The annual economic benefits of the operations of the Calgary Racetrack and Racing Entertainment Centre and the Olds College have not been estimated nor have the potential economic benefits of agricultural industries that are likely locate in the new development.

Why did the department grant more than \$8 million for a development that had not even estimated the economic benefits of the project for agricultural users?

Mr. Groeneveld: Mr. Speaker, that was part of the program. That was the agricultural aspect of it. The whole program was \$48 million. We approved \$8.3 million if they qualified. The money is still there. If they qualify, they will get that money because they qualified under an existing program. Why don't you table the

documents about the grant checklist, detailed applications, supporting documents, a clearer report, and cost breakdowns? Why don't you table those?

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

Temporary Foreign Workers

Mr. Mason: Thank you, Mr. Speaker. There's more than water and money flowing in this Chamber today.

Mr. Speaker, the desire for a better life is a powerful motivation for anyone. Unfortunately, there are those who will take advantage of this for a profit. The temporary foreign worker program has opened the door to trafficking in vulnerable human beings who simply want economic security for themselves and their families. My question is to the Premier. Why does this government stand by while temporary foreign workers are enticed to Alberta by unscrupulous work brokers who leave them high and dry without work, money, or even a ticket home?

Mr. Stelmach: Mr. Speaker, the leader of the third party raises a good matter. It's a human issue, and the process of approving employers and job offers, of course, rests with the federal government. Recruiters cannot charge a fee for getting people to come to the province of Alberta, but there are other parameters to this program. It's one area that our minister is going to work towards and resolve this issue. You know, to attract people to the province and then not have the jobs available for them is not right.

The Speaker: The hon. leader.

Mr. Mason: Thanks very much, Mr. Speaker. Recent reports of abandoned temporary foreign workers in our province crammed 15 to a house, isolated, and alone are disturbing to say the least. Yet it's the union, whose own membership is being deliberately being undermined by this government through the temporary foreign worker program, that is reaching out and lending a helping hand. My question is to Premier. Why is it that labour organizations such as the international boilermakers union and the Alberta Federation of Labour have to step in and help temporary foreign workers while this government has completely abandoned them?

Mr. Stelmach: Mr. Speaker, my understanding is that the minister responsible has met with the union.

Ms Evans: Mr. Speaker, well, I agree with the member opposite that deplorable treatment of any foreign worker is unacceptable, and I know that Service Alberta, under the terms of the Fair Trading Act, investigates those kinds of criminal allegations. I've met with the Alberta Building Trades. I've met with Gil McGowan and the groups that represent many of the trades up there and have had conversations with them. We are on the site that is being discussed here doing an investigation with a contract engineering firm. We have currently a stop work order in place. We're paying close attention to the allegations that have been made. We are working with the . . .

The Speaker: The hon. leader.

Mr. Mason: Thanks very much, Mr. Speaker. Well, these bait-and-switch schemes exploit vulnerable human beings. Unscrupulous brokers are not properly regulated, and there is no place for temporary foreign workers to go. My question to the Premier is: will he, before this spring session is over, put in place a program or legisla-

tion that gives temporary foreign workers who are being exploited a place to go and a guarantee that help will be forthcoming from this government, that their rights will be protected by this government?

Ms Evans: Mr. Speaker, if I may continue. We are negotiating currently under the new made-in-Alberta immigration agreement an annex over the next eight months with the federal government about the kinds of parameters for the temporary foreign worker. We are taking all of this kind of advice under advisement and finding ways to work with our federal government to provide for that worker when they arrive or compel the employer when they arrive to undertake the same kinds of protections that we give to any worker in any part of Alberta. We are paying close attention to it. Relative to anybody who does recruit in a manner that isn't consistent with the Fair Trading Act or the laws of Alberta, the Minister of Service Alberta can respond.

Land-use Framework Consultation

Mr. Johnson: Mr. Speaker, many of my constituents have expressed a desire to play a role in ensuring that Alberta's land and natural resources are preserved for future generations and as such would like to attend the remaining land-use framework public sessions under way across the province. However, some are questioning why these sessions were arranged for a time of year when these people are busy with spring work. My question is to the Minister of Sustainable Resource Development. Why are these sessions being held during a time when people like ranchers and farmers may be too busy to attend to provide their input?

The Speaker: The hon. minister.

Dr. Morton: Thank you, Mr. Speaker. Unfortunately, there's never a perfect time to hold public sessions: in the summer, of course, people are on vacation; in the fall there's harvest; in the winter travel on public roads is often dangerous. Our goal is to have a draft framework out by December, so time is very much of the essence. We've already held 15 sessions. We've had sessions in Edson, Peace River, Wainwright, Edmonton, Lloydminster, St. Paul, Slave Lake, Grande Prairie, Fort McMurray, and High Level. People have come, they've read the workbooks, they've filled out the workbooks, and so far we're having good response.

Mr. Johnson: Now that the good weather is upon us, can the Minister of Sustainable Resource Development tell Albertans how they can take part in the land-use framework if they are unable to make it to the public information sessions?

The Speaker: The hon. minister.

Dr. Morton: Thank you, Mr. Speaker. Albertans have until June 15 to complete their input, and there are a number of options on how to do this. There are still a number of public sessions being held: today in Medicine Hat, Hanna tomorrow, Calgary on May 30 and 31, and Red Deer on May 31. These sessions are usually from about 2 to 9 o'clock and are being advertised in the local papers. You can also pick up the workbooks and information books at an MLA office, including the opposition members' offices, and you can also do this online. So there are a number of options. My message to Albertans is: this is your province; this is your chance to influence how we develop into the future, so please participate.

Mr. Johnson: Mr. Speaker, Albertans have been asked to have their say in land-use related topics before. To the same minister: what

assurance can the minister give that the land-use framework will be more than just a paper exercise?

The Speaker: The hon. minister.

Dr. Morton: Thank you, Mr. Speaker. I want to assure the hon. member that all input will be taken very seriously. The completion of the land-use framework is one of the Premier's objectives in managing growth and also is one of the priorities given to me in my mandate letter. The workbook questionnaire builds on previous input from stakeholders. In fact, the input we're getting now from the public will go back to more stakeholder consultations, which begin next week. I'll be meeting with stakeholders in Red Deer next week. This is part of a serious policy development process. All of the input is valuable, and I'm looking forward to presenting the results to this Assembly next February.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Lacombe-Ponoka.

Out of School Care

Mrs. Mather: Thank you, Mr. Speaker. In Alberta out of school care programs are struggling to provide quality care for school-age children. Many people operating in this field have told us that they don't know how much longer they can provide existing service levels, much less expand to address growing wait-lists. Children and workers are placed in unnecessarily stressful situations when providers are unable to find and retain qualified staff. To the Minister of Children's Services. Recently this department announced a staffing initiative aimed at retaining staff in the daycare sector. Can you please explain why out of school care providers were excluded from this initiative?

1:50

The Speaker: The hon. minister.

Ms Tarchuk: Thank you, Mr. Speaker. I know I've had several opportunities in the last couple of weeks to address this particular issue. Very simply, it comes down to: the province has the mandate for providing services to zero to age six in terms of child care, but we do not have the mandate for six to 12. We do fund FCSS, and if they determine that that is a locally driven need, they do provide those services. Having said that, I've also talked to the Assembly about an FCSS review that we've done. Out of school care has been identified as an issue that we are looking at.

The Speaker: The hon. member.

Mrs. Mather: Thank you, Mr. Speaker. When care providers are unable to retain qualified staff members with their current funding levels, they must hike their fees to make up for the shortfall. In Alberta fee increases are particularly devastating for families with school-age children because parents with children in grade 1 and on are not eligible to receive child care subsidies. To the Minister of Children's Services: will this government join every other province and territory in Canada and ease the out of school care crunch by extending eligibility to cover children that are between six and 12 years old?

The Speaker: The hon. minister.

Ms Tarchuk: Thank you, Mr. Speaker. As well, I know that I've mentioned this in the past. The FCSS review did identify out of

school care as an issue. We were waiting to get that report through the process, which we did last week. We have accepted all of the recommendations in that report, taken out the part with respect to out of school care and have committed to reviewing the issues surrounding that. I can tell the hon. member that in the next several weeks – we have already started to organize some stakeholder talks, and we'll also be endeavouring to survey parents. So we are moving forward on taking a look at workable solutions for the out of school care.

The Speaker: The hon. member.

Mrs. Mather: Thank you. This year's budget provides a modest 4 per cent increase to the family and community support services, FCSS, program, which is responsible for funding out of school care programming, yet no new money was targeted at addressing the problem facing the out of school care sector. To the Minister of Children's Services. The FCSS review completed by this department identified care for school-age children as facing the most desperate challenges. I appreciate that you're going to look at this and have further consultation, but why was no new money targeted to this crucial area?

The Speaker: The hon. minister.

Ms Tarchuk: Thank you, Mr. Speaker. I guess the simple answer is: no new money was targeted for that particular area because right now we don't fund the out of school programs. But I will commit again that I will be working closely with all of our stakeholders to see if we can find some workable solutions and do that as quickly as possible in the next couple of months.

The Speaker: The hon. Member for Lacombe-Ponoka, followed by the hon. Member for Calgary-Varsity.

Agriculture Competitiveness Initiative

Mr. Prins: Thank you, Mr. Speaker. Last week we heard that Canada had been given controlled BSE risk status. Access to foreign markets is critical if we are to compete internationally. While this decision is good news for my constituents who are beef producers, many other areas of the farming and agriculture industry are also facing similar challenges. My first question is to the Minister of Agriculture and Food. Can the minister tell us what is being done to help all of our agriculture industry to compete in the global marketplace?

The Speaker: The hon. minister.

Mr. Groeneveld: Thank you, Mr. Speaker. Agriculture and Food is well aware of the global challenges; for example, new competitors and technologies and a growing demand for the biofuels. But it's critical that we look at the industry as a whole. I'm very happy to report that today we announced a new competitive initiative. I've appointed a group of agriculture and business experts to identify concrete actions that can address both the challenges and opportunities. They will work towards balanced solutions and address industry's long-term profitability and competitiveness.

The Speaker: The hon. member.

Mr. Prins: Thank you, Mr. Speaker. I'm pleased to hear about this new initiative and the approach being taken. To the same minister:

what will the process be, and will there be opportunity for stakeholders to provide input into this process?

Mr. Groeneveld: Mr. Speaker, this steering group will be reviewing existing research and doing some further study and addressing any information gaps. Then they will determine some of the tough questions, I guess, and potential solutions. At that point I have asked them to invite a large number of agricultural and food organizations to meet with them and provide feedback. We plan to post the draft recommendations on our ministry website. It can be a very powerful tool when industry comes together to share their expertise and generate new ideas, so I'm quite excited about the potential of this initiative.

Mr. Prins: Thanks. My constituents will be glad to hear that the process provides the opportunity for them to contribute their thoughts on this important work.

Mr. Speaker, my final question to the same minister: when or how soon can we expect to see the results of this work?

The Speaker: The hon. minister.

Mr. Groeneveld: Thank you, Mr. Speaker. This government is certainly anxious to move forward, and we are pleased to provide leadership in this area. Considering the scope of the work ahead, we have set a pretty aggressive timeline for our steering group. The group is expected to have recommendations for industry feedback in early 2008 and a final recommendation to the government by June of 2008.

The Speaker: The hon. Member for Calgary-Varsity, followed by the hon. Member for Lesser Slave Lake.

Renter Assistance

Mr. Chase: Thank you, Mr. Speaker. One of my constituents, Fred Bisschop, is facing severe difficulties paying his rent. He's on fixed-income support, so a rent increase of nearly 50 per cent to \$1,100 a month is well beyond his means. The increase takes effect on the 1st of June. Mr. Bisschop will not be able to pay that rent. To the Minister of Employment, Immigration and Industry: is the homeless and eviction fund the minister keeps referring to where Mr. Bisschop should go for help?

Ms Evans: Mr. Speaker, I've been quite clear that if people have received an eviction notice or have any kind of income support problems, they should visit the office or contact our office. One of the issues we've discovered in Calgary is that some have not yet had a notice, and there has been some lack of clarity in the minds of people that have visited about whether or not they're asking for rent supplement or whether they need some other kind of income support, so quite clearly it's on an individual basis. We'd be pleased to get the information, and we'd follow up on his behalf.

The Speaker: The hon. member.

Mr. Chase: Thank you. When I wrote to the minister detailing this case amongst others, I was indeed directed to the Employment, Immigration and Industry fund. Mr. Bisschop has called the so-called helpline offered by the minister. He called but got no help. He was told that because he is already receiving some rent assistance, he is ineligible. Clearly, something is very wrong with this situation. Why does the minister keep suggesting these helplines

and programs when they are completely inadequate for those affected?

Ms Evans: Well, Mr. Speaker, several people – hundreds of people – have received over \$300,000 in the last few days. There are several success stories where they have been helped. I can't comment on this particular circumstance because I'm not familiar with the detail, but if I'm provided it, I will follow up. While on one hand we have – when I say several, maybe hundreds, in certain circumstances a lot more than that. We're working on a case-by-case basis, and if someone has already been in the circumstances of receiving social assistance to some degree, then we have to look at them quite closely and see if there's something else we should be doing. But just please provide me the information.

The Speaker: The hon. member.

Mr. Chase: Thank you. The information was already provided, and he can't afford the bus fare.

The Minister of Municipal Affairs and Housing has claimed in this House, and I quote from May 10 *Hansard*: "The policy of this government is that individuals should not pay over 30 per cent of their salary – 30 per cent of their salary – for housing." Indeed they shouldn't. The minister's solution to the fact that many Albertans face sharp increases is to subsidize those increases. Well, Mr. Speaker, 30 per cent of Mr. Bisschop's income would still leave a \$650 hole. Is the minister suggesting that the best way of dealing with this situation is for the government of Alberta to pay Mr. Bisschop's landlord \$650 a month rather than putting temporary restrictions on these increases?

Mr. Danyluk: Well, Mr. Speaker, I think this government has made it very clear that we do not believe that rent controls increase the availability of units. We do have programs that are available. The case that was brought forward by the hon. member: if he does bring the particulars forward to either myself or the Minister of EII, then we'd be very glad to look at it.

The Speaker: The hon. Member for Lesser Slave Lake, followed by the hon. Member for Edmonton-Ellerslie.

2:00 Lesser Slave Lake Aboriginal Policing

Ms Calahasen: Thank you. Mr. Speaker, I've been blessed to have First Nations who are proactive and willing to improve the lives of their people. One of the ways they have done this was to take over the first ever aboriginal policing in Alberta. Unfortunately, last September the agreement with the Lesser Slave Lake Indian Regional Council and the Horse Lake First Nation was terminated. This has been a difficult time for all involved. I've attended many a meeting regarding this issue. I'd like to ask the Solicitor General and Minister of Public Security: what is the status of the negotiations which were taking place between his department, Canadian officials, and the Indian Regional Council?

The Speaker: The hon. minister.

Mr. Lindsay: Well, thank you, Mr. Speaker. First of all, I want to say that every Albertan deserves to live in a safe and secure community. Last September, following a review of the former Lesser Slave Lake Regional Police Service, it was clear that a different approach was needed to address some very serious operational issues. Community leaders along with representatives

from the Alberta and federal governments have been working on a new policing plan for the area through a commitment of all parties to find a solution that works for everybody. We have developed a new, innovative policing model that will meet the needs of that community.

Ms Calahasen: Mr. Speaker, we had a doggone good plan before, and that was tossed out. Could he explain to me and to my constituents how this new model is going to work?

The Speaker: The hon. minister.

Mr. Lindsay: Well, thank you, Mr. Speaker. We believe it's a doggone good plan as well. The Lesser Slave Lake police service will consist initially of 10 RCMP officers over the next five years, qualified individuals we recruited and sent to the RCMP depot in Regina for training. Once they return to Alberta, these recruits will do six months of on-the-job training with the RCMP at the Lesser Slave Lake police service before assuming their duties. As recruits come on board, the original RCMP officers will return to the provincial police complement.

Ms Calahasen: Well, Mr. Speaker, I'm so pleased to hear that we are going to do a number of really good things. However, one of the biggest concerns has been that there was never enough money to be able to help the aboriginal policing. My question to the minister: are there going to be additional dollars provided, and can you tell me how long this process is going to take to complete?

Mr. Lindsay: Mr. Speaker, yes, there are some additional dollars that have been committed to aboriginal policing. In fact, in the budget this year we've allocated dollars for 14 members to patrol aboriginal communities. In regard to the time frame for this particular plan with the Slave Lake region, if we can get the recruits, we hope to have everything in place within five years.

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

Renter Assistance (continued)

Mr. Agnihotri: Thank you, Mr. Speaker. At the annual meeting of the food bank associations last week concerns were raised about the increasing demand on Alberta's food banks. Albertans are spending more of their income on rent and have less money for food. To the Minister of Municipal Affairs and Housing: given that many Albertans no longer have room in their budget for food, why does this government continue to refuse to implement temporary rent caps?

Mr. Danyluk: Well, Mr. Speaker, as the hon. member knows, in this budget we did increase support for Albertans that were in need, in fact \$285 million. That funding supported not only affordable housing and rent supplements; it supported the homeless. If I can say, when we look at the availability for individuals, we do look at it according to need.

Mr. Agnihotri: To the same minister. According to the Calgary Centre for Newcomers immigrants are often not counted among the homeless because they stay with their friends and family. What advice does the minister have for families living in crowded spaces who face two-year wait-lists for an affordable place of their own?

Ms Evans: Mr. Speaker, new Albertans, people that are affected by the lack of income supports, people that have special needs can come to one of the 59 offices in Alberta that deal with income supports. I'd like to just point out that many of the people that come don't come directly to Alberta. They haven't been solicited to come to Alberta. They come from other places like Toronto or Winnipeg or Montreal, and it's often much more difficult for us to track them. They don't come in announcing that they've come through another place. So beyond the immigrants that are here, that come because they've been invited for a job, they come frequently to visit family, and then they want to stay.

The Speaker: The hon. member.

Mr. Agnihotri: Thank you, Mr. Speaker. I think the minister is too eager to answer. I'll ask the Minister of Employment, Immigration and Industry this time. Some organizations are warning immigrants to avoid coming to Alberta until they have secured a place to live. Does the minister realize that this government's failure to implement rent caps will directly impact workforce recruitment and retention strategies?

Ms Evans: Mr. Speaker, I think that everybody in Alberta recognizes that there are issues that we are tackling. Whether it's managing the labour force shortages, managing the housing, it's going to pose challenges. I think it's prudent, before you come here, to find out whether or not you have a job or a place to live. We're going to try and provide people offshore, particularly, that kind of advice so that they don't come with unrealistic expectations.

The Speaker: The hon. Member for Edmonton-Calder, followed by the hon. Member for Red Deer-North.

Teachers' Unfunded Pension Liability

Mr. Eggen: Well, thank you, Mr. Speaker. The Education minister has achieved something remarkable this year. He has angered teachers with his approach to the unfunded pension liability, frustrated school boards by shortchanging their funding and talking about a surplus that doesn't exist. School boards and teachers now stand united to defend public education against a confused and adversarial provincial government. So I'd like to ask the Minister of Education: when will he take a couple of steps back for the sake of good relations, cut the antagonistic attitude, and sit down to negotiate with teachers and school boards? Another round of layoffs and potential strikes serves no one's best interests.

Mr. Liepert: Well, Mr. Speaker, the provincial government is not involved in the negotiation of contracts, so I'm not exactly sure what the hon. member would like me to sit down and negotiate with teachers and school boards. We provide funding to school boards. School boards are responsible for negotiating contracts with their local ATA, so that will proceed as planned.

Mr. Eggen: Mr. Speaker, the issue that I'm speaking to directly is in regard to pensions, and there's a tremendous amount of confusion around this issue. The Premier, in fact, during his leadership campaign said, and I quote: I would never use such an emotional matter as a bargaining chip in the heat of a labour dispute. Unquote. If everyone is ready to sit down and sort out a deal now, isn't that better than waiting until November, when 30,000 teachers will be without contracts and the unfunded liability would have grown that much more?

Mr. Liepert: Well, I would be quite happy to negotiate a long-term resolution to the unfunded pension liability if the hon. member would give me some suggestions as to what the Alberta Teachers' Association would be prepared to give up in return for the taxpayers of Alberta accepting a \$2 billion liability. To date I haven't heard one single good idea from the third party as to what that might be as a trade-off.

Mr. Eggen: Mr. Speaker, the very best and first thing we have to do is sit down and talk. Obviously, the parties involved with the teachers' pension are the government, which is you, the teachers, and the general public. The teachers are ready to go to the table and talk. The public wants this resolved, so clearly the stick-in-the-mud is over here on the government side of the House. The Premier said that he wants the pension issue sorted out now without tying it to contract negotiations. Why won't the Education minister ditch his pension task force idea and get this sorted out now, before it further erodes the good faith of teachers, parents, students, and the public at large?

Mr. Liepert: Well, Mr. Speaker, I just simply have to disagree with the hon. member. I think the prudent thing to do is to do what we are doing: have a small group go out and listen to Albertans. They can listen to the taxpayers of Alberta and get a feel for what taxpayers feel is a reasonable ask of the Alberta Teachers' Association for us to pick up a \$2 billion liability. It sounds pretty reasonable to me.

The Speaker: The hon. Member for Red Deer-North, followed by the hon. Member for Edmonton-Glenora.

2:10 **Incentives for Property Developers**

Mrs. Jablonski: Thank you. Mr. Speaker, we are facing a serious lack of affordable rental accommodation in Alberta. The supply does not meet the demand, and in order to encourage the development of new rental units, we need to take decisive action. A healthy housing policy is essential in order to have a healthy economy. In 1981 the federal government introduced a program called multiple unit residential buildings, or MURBs, to encourage the building of rental units. It was a federal/provincial/municipal program that encouraged investors to invest in affordable housing by changing the tax laws to provide incentives to do so. To the Minister of Finance: is the provincial government thinking of any incentives that would encourage investment in housing and help alleviate this situation in Alberta?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much. First of all, Mr. Speaker, I would say that there were a lot of lessons to be learned from the MURB investments back in the early 1980s. In essence, the federal government and the provincial government as well as municipalities allowed people to write off the soft costs, things such as legal fees and annual depreciation, if they were to go out and buy an apartment building. What subsequently happened is that we actually saw the prices rise because the write-offs were there. We saw people getting into a position where the business case just wasn't there, and subsequently in 1982, '83, '84, when we saw the real estate market crash, you saw hundreds of thousands of these MURBs actually being put on the sale block because people lost their money. They lost their shirts on this particular plan. But in saying that, I will reiterate what I first said. I think there are lessons to be learned. I think we can do better.

The Speaker: The hon. member.

Mrs. Jablonski: Thank you. To the same minister. The provincial government has announced a generous program to provide assistance to those facing increases in rent or evictions. Would it be even more effective to use tax dollars to provide incentives to builders as well as providing assistance to those facing rent increases?

Dr. Oberg: Certainly, Mr. Speaker, that's a very difficult question. What we want is to get more doors on the market. We want to get more rental units on the market to give the renter more choices in where to live. How we can do that as a government is very difficult. As I was just stating with regard to the MURBs, they actually backfired to a large degree. They had their good points, a good point being that 195,000 units were built. The bad point was that it cost \$2.4 billion, plus numerous, numerous investors lost their shirts. What we need to do is sit down and take a look and ask the simple question: how can our tax system help with what is occurring out there?

The Speaker: The hon. member.

Mrs. Jablonski: Thank you. To the same minister again. There are many investors in Alberta, large and small. Is the provincial government considering any tax incentives for large and small investors to encourage the building of more affordable housing units?

Dr. Oberg: Mr. Speaker, as everyone in this House knows, we're currently debating our budget. Our budget for this year has not yet passed. When it comes to tax incentives, my department, certainly this government will take a look at anything that is reasonable. Indeed, in effect for next year's budget we will be looking very seriously at some tax incentives. We'll be looking at tax cuts. We'll be looking at the taxation issue from all different angles. I can't promise the hon. member anything, but if there are good ideas that come forward – we need to get more housing units on the market.

The Speaker: The hon. Member for Edmonton-Glenora, followed by the hon. Member for Little Bow.

Temporary Foreign Workers

(continued)

Dr. B. Miller: Thank you, Mr. Speaker. We've talked to temporary foreign workers who, obviously, are being exploited by unscrupulous brokers when they come to this province. We heard the hon. minister's response earlier. What I want to ask the Minister of Employment, Immigration and Industry is this: does she think that laws have been broken in the actions of brokers based in Alberta, and is she prepared to investigate?

Ms Evans: Mr. Speaker, that is not the role of this minister. Service Alberta deals with the legislation that regulates and controls the Fair Trading Act, that deals with the people and what the licensing requirements are. I'd defer to the President of the Treasury Board.

Speaker's Ruling Legal Opinions

The Speaker: It's inappropriate for ministers to give legal opinions, and it's also inappropriate to have any questions dealing with interpretation of statutes. So I'm not sure where we're going to proceed other than to go to the second question, hon. member.

Temporary Foreign Workers

(continued)

Dr. B. Miller: Thank you, Mr. Speaker. It's clear that employers are told to inform the government when the temporary foreign worker leaves their job or quits their job. What happens to the temporary foreign worker who comes to Alberta and there is no job for them? They have a different language. They have a different cultural background. They don't understand our laws. What kind of government assistance is there for them?

Ms Evans: Mr. Speaker, Service Alberta is conducting an investigation if it's relative to the story of 15 men that were brought to this country without the proper kind of opportunity provided. The opposition seems to infer that this is something that we would tolerate or provoke. We did neither. We're as upset as any other Albertan when people are brought here by people who are unscrupulous. They gained access to this country on a false pretext. We will investigate that. When we're made aware of their plight, they have an opportunity to come as people who are asking for assistance, like any other new Albertan.

The Speaker: The hon. member.

Dr. B. Miller: Thank you, Mr. Speaker. You know, the costs of bringing foreign temporary workers to Alberta include all kinds of things, like payment for travel to and from Alberta, arranging accommodations and programs for spouses and children, language classes, orientation seminars, and so on. To the same minister: what is the government doing to ensure that employers take more responsibility for the costs of bringing foreign temporary workers to this province? Why are employers not bearing the costs rather than having brokers charge workers between \$7,000 and \$15,000 just to facilitate their arrival in this province?

Ms Evans: At last Friday's meeting with the immigration minister of Canada and my other counterparts, my peers from other provinces, we did talk about what the employers should be doing. They very definitely undertake a contractual relationship. Many are very honest, dealing with very honest brokers that follow through with the terms of the contract, provide housing, provide training, provide employment, provide return tickets home. If you were to talk to many of the people that are doing many of the larger construction jobs in Alberta, they are very solid employers that are doing their due diligence. For the people that aren't, for the people that might be coming here as new temporary foreign workers, we will provide more information in the months ahead.

The Speaker: The hon. Member for Little Bow.

Foreign-trained Physicians

Mr. McFarland: Thank you, Mr. Speaker. A couple of weeks ago I had the opportunity to talk to a new immigrant. He's a taxi driver. He's actually a doctor, born in India, and he completed his medical school in the Czech Republic. He's busy driving a taxi and trying to prepare for his tests with the College of Physicians and Surgeons. He told me that even if he passes his tests, there are only a couple of seats available for successful candidates. My questions today are to the Minister of Health and Wellness. Would the minister explain to me and to this individual why there are so few residency spaces available for these new potential doctors in Alberta?

The Speaker: The hon. minister.

Mr. Hancock: Well, thank you, Mr. Speaker. Alberta has a number of options available to help internationally trained medical professionals to practise their chosen profession in Alberta, but we've more work to do. The Alberta international medical graduate program is one example of a highly successful provincial program helping these physicians to practise in Alberta. It provides international medical graduates residing in Alberta with dedicated residency training positions; in other words, residency positions which are outside the normal matching process for residency. Applicants are interviewed, put through a three-month assessment and orientation before being offered a funded residency program. Providing residency training spaces to qualified IMGs is just one option that Alberta is using to ensure an adequate opportunity for physicians to meet health care needs in Alberta. Last year an additional \$3 million was made available to support the expansion of the program.

The Speaker: I think we'll move on to the hon. member.

Mr. McFarland: Thank you, Mr. Speaker. Why is such a well-spoken, qualified young doctor who wants to practise family medicine facing such barriers in Alberta today when we have a crying shortage?

The Speaker: The hon. minister.

Mr. Hancock: Well, thank you, Mr. Speaker. As I was indicating, we added \$3 million to the project. That takes the IMG spaces, the intake available this July, up to 48 residency seats. Additional residency seats will mean more doctors available to see patients in Alberta. There are, however, some other barriers that have to be taken into account. Some foreign-trained physicians have not practised for a considerable length of time, and their skills and knowledge are not current. Others come, perhaps, from a country or from a school that is very different from what they might have received here, so they need to be retrained. But we do want to make use of the medical talent that's available, and we do want to make sure that all those skills can be used in Alberta.

2:20

The Speaker: And we'll get it in the third question, I'm sure.

Mr. McFarland: Thank you, Mr. Speaker. Why can't these individuals work in the hospital system while they're upgrading their skills or preparing for the tests? Even a journeyman mechanic gets to get paid and make a living while he's earning his licence as a qualified mechanic or a tradesman.

Mr. Hancock: Mr. Speaker, that is a very good question from the hon. member, and it's something that we're working on as we speak, to make sure that for every person who comes to this province with skills and abilities in the health care area, we have the ability to do a prior learning assessment, an assessment of their qualification and experience, and that we find a way for them to use that qualification and experience in our health care system. It may not be for what they felt they were trained for. In other words, you may not be able to be a doctor, but you certainly could be a physician's assistant. When we bring out the workforce strategy, we're working now on the mechanisms to make exactly that happen.

head:

Orders of the Day

head:

Government Motions

The Speaker: The hon. Deputy Government House Leader.

Referral of Bill 1 to Government Services Committee

21. Mr. Stevens on behalf of Mr. Stelmach moved:
Be it resolved that the Legislative Assembly refer Bill 1, Lobbyists Act, to the Standing Committee on Government Services for the committee's consideration, review, and comment and request the committee to report to the Assembly on or before the first week of the fall 2007 sitting.

Mr. Stevens: Thank you, Mr. Speaker. This is a significant motion. Bill 1, the Lobbyists Act, is a reflection of this Premier's commitment to govern with integrity and transparency. The referral to this particular committee is a first in that we have amended the rules of this Assembly to allow for policy field committees to talk to Albertans about our legislation. Bill 1 has of course passed second reading, and we are looking forward to this committee and its report back to this Assembly later this year.

The Speaker: This motion is debatable.
The hon. Opposition House Leader.

Ms Blakeman: Thank you very much, Mr. Speaker. Well, it's taken us a long time to get to this point and this day. When I look back upon this day, I hope that I'm happy it came. This is historic. We are now attempting to refer the first bill to the new policy field committees, in this case specifically to the government services one. Indeed, it's probably appropriate that it was the flagship bill of this government, the first one brought forward by the new Premier.

When I went into negotiations on this, I really approached it with good faith and good heart, hoping that these policy field committees would be good working opportunities to explore issues and to actually get a debate going, a discussion with an exchange of ideas, and I hope that that is what happens here. I mean, certainly what we had in the House leaders' agreement and what manifested itself through into the Standing Orders – you know, Mr. Speaker, it could go either way. If the political will is there and the political leadership is there from the government side, I think it could be quite a useful process. If the government decides that they're just going to do the same old thing that they've done for my whole 10 years here and just use that big majority to ram through whatever, then it's not going to be what we hoped for.

When I look exactly at what the policy field committees were to be doing, it really just notes in the Standing Orders that the "four Policy Field Committees, consisting of 11 members each, shall be established to consider the following," and then it goes through the four different categories. I do note – and I think it was a good idea – that the chairs are members of the government and the vice-chairs are members of the Official Opposition.

There's really just one line that pertains to the policy field committees reviewing bills, and it says, "A Policy Field Committee shall review any Bill referred to it." That's all it says. There's a whole bunch of information about what it can do when it's considering regulations, when it's considering any number of reports that could be referred to it from Crown agencies or provincial departments, government departments: public hearings on regulations and even independent inquiries, that the policy field committees could start their own inquiries on something. But when it comes down to the bills, it just says that they can be referred. So it's a pretty wide open mandate. It'll be interesting to see how the committee conducts itself and what sort of parameters it sets up for the examination of this bill.

One of the things I noted in Motion 21 that I did like was that there is a report-back date. One of my criticisms of this government has been the black hole that many of these reports and requests for

information disappear into. They never seem to come back onto the floor. We never know what happened to them. There's no tabling of anything. They're just gone. So I appreciate that in the crafting of Government Motion 21, there actually is a date that's given that the report will come back to this Assembly. Specifically, it's on or before the first week of the fall 2007 sitting, so we're assuming late October, early November. One presumes at that point that that information would then be integrated into the debate on Committee of the Whole and third reading.

The lobbyists bill itself, which is Bill 1, the Lobbyists Act, has also had an interesting history. I mean, I think it came out of what's commonly called the Multi-Corp situation or scandal. Flowing from that situation, we had the Tupper report, that made a number of recommendations. This is appearing on page 6 of the final report of the Select Special Conflicts of Interest Act Review Committee from May 2006, and it's quoting the Tupper report here. The Tupper report did recommend that lobbyists be registered and that there should be standards governing their conduct.

In a democracy, citizens must know which organizations and individuals influence public policy, the techniques they employ, who in government they meet and when, and the extent of their efforts to shape public policy,

which I think is a good, all-encompassing statement. They felt very strongly that legislation governing lobbyists would enhance openness of public policy-making in Alberta. We also had the Ethics Commissioner make a submission to this committee, and they supported very warmly the idea of a lobbyists act. So I'm hoping that we will get an airing and a genuine give-and-take in exploring the ideas. That Select Special Conflicts of Interest Act Review Committee, obviously, did look a little bit at lobbying but mostly concentrated on conflict of interest.

I think there's a number of issues that arise out of the legislation that's been proposed here, and I think it's appropriate that it does go to that committee. I'm just very cautious that the committee will actually be a good working committee and will be respectful of all the points of view that are brought forward. I'll tell you why I have some hesitation around that. I noted that earlier in this House – actually, it was on May 14 of this year – we attempted from the Official Opposition to refer a private member's bill, that being Bill 207, the Child Care Accountability and Accessibility Act, to the appropriate policy field committee, and that was rather vehemently shot down by members of the government, with all kinds of excuses running the range of possibilities there, and I was very disappointed in that.

Granted, it's nice to have Bill 1, the flagship bill, the first bill of the new Premier be the first one that flows through into the newly created policy field committees. I mean, there's a certain appropriateness to that, a certain synchronicity, I suppose. But I was really alarmed at the push back from the government members to the idea of sending an opposition private member's bill through to one of these committees. That discussion takes place in *Hansard*, page 1088 onward. It includes a fairly severe and dismissive section from the Minister of Education against that amendment, and a number of others spoke against it as well.

2:30

As is always the case, Mr. Speaker, the proof of the pudding is in the eating. We'll see whether there actually are the leadership and commitment flowing from this Premier to uphold the idea of an all-party policy field committee which is to explore substantive issues and to see whether having the idea of a government chairperson and an Official Opposition vice-chairperson will help us in honouring and hearing the debate and encouraging the debate on all sides. Hopefully, we'll get better legislation out of all of this because that

was the point, that we would have more people on the record bringing forward their point of view and representing their constituents. Ultimately, we would end up with better legislation, the ability to call witnesses in, to access experts, to have committee resources to support research so that we could do a better job as legislators.

So I'm happy to support Motion 21 referring Bill 1, the Lobbyists Act, to the Standing Committee on Government Services. I sure hope this is going to work.

Thank you, Mr. Speaker.

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

Mr. Martin: Thank you, Mr. Speaker. Just a couple of remarks. Certainly, we're going to support this particular bill on the lobbyist registry going to the Standing Committee on Community Services. There is a very good reason, I believe, why this bill should go there. Looking at the original act, I happened to be on the select committee that recommended this, and it was a very good committee; I've talked about that. I believe there's a loophole in there broad enough to drive a truck through, and we've talked about that in the Legislature. I think it is quite appropriate that this bill be brought forward for this discussion. Hopefully, we can make it a better bill.

I mean, with the policy field committees we're into unknown territory, Mr. Speaker. I've called it a work in progress, and I believe that's exactly what it is. We'll see how this works. I think this is an appropriate one, as I said, to involve ourselves in, the committee, to work forward. I can see how it's going to work with bills being referred because I think now we have this one and two more coming forward in the next little while, and I have no problems with the other two coming forward. I think they are bills that appropriately should be looked at by the policy field committee. We'll see how it works once we're in there. That's a totally different situation.

I think that with the policy field committees, though, the other aspect of how they work is that they hopefully will have some room to be proactive themselves, and it won't be just a matter of only looking at bills that come from here, the House, and back there. There are many issues that perhaps the Legislature should be looking at but we're not in terms of having bills being debated in the House. There are issues that are occurring all the time. We've been talking about some of them, but I would hope that these committees, especially when the sessions aren't on, could be proactive in bringing groups in. Maybe flowing from there, we'd get some legislation coming back the other way. Because of what was happening with people coming forward to the policy field committees, it might work the other way. They would then posit that bills be brought forward here.

It's going to be an interesting time to see how these work. I guess that hope springs eternal, and as I say, I think this is certainly an appropriate bill, as the other two are, to proceed into the policy field committees.

Thank you, Mr. Speaker.

The Speaker: Are there others?

The hon. Deputy Government House Leader to conclude?

Mr. Stevens: Question.

[Government Motion 21 carried]

Speaker's Ruling Referral of Bills to a Policy Field Committee

The Speaker: Just a procedural comment here with respect to the Standing Orders, this matter now having been dealt with. Hon.

Opposition House Leader, comment was made with respect to an event that occurred in this Assembly earlier this spring when during the debate on a private member's bill an amendment was put forward to refer such bill to a committee. Well, Standing Order 78.1 would not have permitted that. Standing Order 78.1 says: "Immediately after a Bill has been read a second time." The circumstance in question had not seen the bill arrive at a conclusion to second reading. It was still prior to when the debate was still on. So there's perhaps a bit of an interpretation there. Clarification might be required.

I take it, then, we're finished with this matter?

head: **Committee of Supply**

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, we shall call the committee to order. The committee has before it today estimates to deal with the departments of Advanced Education and Technology and Education, and today has been set aside for the New Democratic caucus.

Before I call upon the minister, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

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

The Deputy Chair: The hon. Member for Little Bow.

Mr. McFarland: Thank you, Mr. Chairman. It's a pleasure today – and I apologize to my group for the wait. For 15 years we've had Vauxhall elementary school come up to this Assembly every spring, and this year is no exception. I am really pleased that the kids from Vauxhall elementary school and the parents and the teachers that have come along made a big journey up here today to take in part of the Legislative Assembly. Just so that everyone knows, these are potential stars of the Vauxhall Baseball Academy, and they're also from the town which is known as the potato capital of western Canada. Could I introduce teachers Ms Kim Kerr, Mr. Terry Olfert, who has been involved for 15 years here, and Mrs. Trina Mantler-Friesen; the parent helpers Mrs. Cindy Skretting, Mrs. Gwen Dorchak, Mrs. Sarah Hiebert, Mr. Chris Burns, Mrs. Dawn Cameron, Ms Cheryl Lanz, Mrs. Norma Brouwers, and Miss Jenny Tashiro; and all the kids from Vauxhall elementary school. Would the Assembly please give them a warm welcome and wish them a good trip.

The Deputy Chair: Before I call upon the Minister of Advanced Education and Technology, I just want to let the members of his staff know that should you wish to have a glass of water or a cup of coffee, just raise your hand and somebody will come by and provide that to you.

head: 2:40 **Main Estimates 2007-08**

Advanced Education and Technology

The Deputy Chair: The hon. minister.

Mr. Horner: Thank you, Mr. Chairman. It's my pleasure to rise this afternoon to discuss again in committee our ministry business plan and budget for the upcoming year. With me today in the Legislature I have, of course, our deputy minister, Bob Fessenden. I have our assistant deputy minister, adult learning, Mr. Phil

Gougeon. We have Mr. Blake Bartlett, who is the chief bean counter in our department. I've forgotten what his exact title is. We also have Shirley Dul, who is in charge of our apprenticeship programs, as well as Gerry Waisman, who is the executive director of our postsecondary institutes. We have a number of staff up in the gallery too. I won't get into the introductions on those.

Maybe I could give a brief overview. I did give some opening remarks last night, so I'll try not to repeat too much as I know that that's already in *Hansard*. I think it's important that we talk about the ministry's mandate up front. That was made very clear in December from our Premier. He gave Advanced Education and Technology a very clear mandate in the areas of increasing access, affordability, and quality in our postsecondary education, to increase support for community education and literacy programs, and to develop a strategy for technology commercialization and value-added economic diversification.

One of the key priorities is to better define the roles and responsibilities of postsecondary institutions in Alberta. Work is already under way, Mr. Chairman, on encouraging institutions to work more collaboratively. We brought the institutions together a number of times to talk about this roles and responsibilities mandate framework because our view is that a lot of our decision-making and a lot of the processing, a lot of the collaboration, co-operation, and co-ordination is going to come from that kind of framework. A lot of the aspirations of many of our institutions can be realized through the framework by identifying their niches, their roles, their responsibilities.

From the youth in Lethbridge who is taking academic upgrading online to the adult student in Fort McMurray who plans to enter medical school, Alberta Advanced Education and Technology has significant opportunities to make the system serve people better. As part of that, the key initiative where work is continuing in relation to the roles and responsibilities framework is in and around the principles of Campus Alberta. We want to emphasize transferability, seamless learning, and curriculum sharing. An important initiative we're undertaking is to build on the momentum of the affordability framework for students.

But also in terms of the roles and responsibilities we want to look at what is the need. What is the needs analysis of our system both from the student side and from the societal side and the industry side? Take a look at that needs analysis from a Campus Alberta approach and say: where do we need to build the capacity? We know that we need to build some capacity in certain areas. Intuitively, people can figure that one out pretty quickly. But where do we need to look into the future and say: in collaboration with the postsecondaries where do we need to build that?

After we've completed that process, there's obviously the process of: does the funding formula that we currently have meet the objectives of that framework, and can we make it better? Or is it adequate the way it is, and can we move forward based on that funding formula? So we'll be doing a review of that as well.

On the international co-ordination side is it appropriate that we have individual institutions with individual plans on international, or should we collaborate on that as well to try to get the biggest bang for our buck?

So we're going to be moving in a number of those areas over the coming months.

Certainly, with Budget 2007 we've made some very critical investments that are going to provide direct financial assistance for students before they begin classes this fall; that is, providing increases to student loan limits. I know that it was brought up today in question period about increasing those loan limits and increasing the cost-of-living allowance, which are things that we did based on

our discussions with the students this spring, simple rules like eliminating the vehicle restrictions and reducing parental contributions.

We're going to be working with the postsecondaries and the students to see if there are innovative, interesting ways that we might be able to help in the student housing initiatives that are ongoing around the province. We are within the framework of the postsecondaries building a number of new student residences and student housing initiatives. The department is going to be working with Municipal Affairs and Housing as well as the postsecondaries to see what we can do even further in that regard. This commitment to student finance is really focused on enabling more students to qualify and to access what is already a world-class system and open more doors to things like scholarships, bursaries, grants, and expanding tax credits to full- and part-time students.

The ministry is also providing institutions with funding that helps address and offset the impacts of the affordability framework and the limits that we have put on tuition fee increases. It's one thing to say to the students that we will not increase the tuitions to what perhaps the costs have risen to, but it's another thing to say to the institutions that we won't do that, so we are going to address that by way of additional funding to the institutions to offset what we have done in terms of limiting the tuition fee increases. The business plan also addresses the capital and infrastructure needs of the institutions by increasing our funding for the expansion, upgrading, and maintenance of Alberta's postsecondary institutions.

It's also important to note that postsecondary education is not just limited to the universities and the colleges. As this House has learned on a number of occasions, we are working very hard to make a difference for Alberta's apprenticeship and industry training system and expanding it considerably. There's a lot of pressure in that area, and we're working with, again, the institutions to try to bring as many spots as possible forward.

Advanced Education and Technology is also expanding the amount of learning opportunities available in other communities. We're enhancing our partnerships. We're working on ensuring that Albertans have the skills they need today to contribute to our society, our economy, and the high quality of life we enjoy today.

In terms of technology the 2007-08 business plan continues to move forward with strategic funding for research, innovation, and technology commercialization initiatives, of course covering the traditional sectors but also working in some of the emerging sectors like nanotechnology, like renewable energy, like CO₂ sequestration. We're making strategic investments in all of those areas.

We're talking about Alberta's value-added capabilities being an essential element to realizing Alberta's future, so moving not only our natural resources and agricultural products but our technology up that value chain is critically important to Alberta's future. We're working in that area as well. We're looking at the water research strategy and have committed \$30 million in funding for that as well as the implementation being managed through Alberta Ingenuity in the life sciences branch.

We're obviously going to continue our support for the nanotechnology initiative in this province. We believe that we can be very much a global leader in that area. It could be the next quantum leap in research and development and product applications. We want that to be researched and developed here in Alberta, and we want it to be commercialized here in Alberta to create that next economy.

Some of the other things that we're working on: obviously, in the life sciences, a number of the other science areas, enhancing the role of ASRA, looking at ASRA to do a review of all of the research and development that we're doing in the province to ensure that we are on the right track, that it's collaborative, that it's co-ordinated.

I can go into some of the detail on the estimates, Mr. Chairman. Our total government of Alberta investment in Advanced Education and Technology in the '07-08 budget is \$3.1 billion. That's a spending increase that represents about a 22 per cent increase over last year. The 2007-08 budget includes a 6 per cent increase in base operating grants to institutions, bringing the total operating grant funding to 1 and a half billion dollars. Further increases of 6 per cent per year will be provided for the next two years.

Postsecondary institutions will also see a funding increase of \$347 million for capital projects this year. A total of \$1.6 billion will be invested in capital projects over the next three years, including \$300 million in unallocated capital at this time. That funding boost represents a 41 per cent increase over the '06-09 capital plan, projects like and including the Robbins health learning centre at Grant MacEwan College, the expansion of the Lakeland College campus in Lloydminster, the construction of the community learning campus at Olds College, and the University of Calgary's health research innovation centre. Funding from Advanced Ed in '07-08 will go towards the construction of facilities for the Faculty of Veterinary Medicine at the University of Calgary, replace the Donald Cameron Hall at Banff Centre, and the centennial centre for interdisciplinary sciences on the campus of the University of Alberta.

We will be looking at, as I said, this needs assessment that we're going through right now. My hope is that that will be done fairly quickly as we go through that needs assessment and sit down with the postsecondaries and talk again about what is the Campus Alberta approach. Decisions on the unallocated amounts in our capital budget will be made utilizing the capital planning process and utilizing the discussions that we have on this needs analysis so that we make the best decisions we can as they relate to the capital and the capacity of the province.

2:50

The Deputy Chair: Hon. Member for Edmonton-Strathcona, I just need some direction from you. Would you like to go back and forth for a set period of time?

Dr. Pannu: Right. Ten-minute segments should work all right.

The Deputy Chair: Ten-minute segments? Okay.

Dr. Pannu: If necessary, we'll modify them on the way. Thank you, Mr. Chairman.

Mr. Chairman, I want to start by thanking the minister for redoing a part of what he did do last night. I tried to do my due diligence this morning to go through the *Hansard* to see what's been already done so that I don't repeat much of what has already been discussed, but, unfortunately, the evening portion of the *Hansard* is not available to us until perhaps tomorrow. So if I do repeat, it's because I do not really know what had happened last night. I do want to thank the minister for making his introductory remarks, which touch on some issues which are important to all of us, are on top of our minds.

Before I go into the substance of the debate, I also want to acknowledge the presence of the minister's departmental staff. Welcome again. I think you were here last night, all of you. Without the work that you do, I know that we wouldn't have any information available to us of much value that people like myself can use in engaging the minister and the government in debate on its policies and expenditures, that turn their policy into programs and action. So thank you for your work.

Mr. Chairman, the minister talked about, among other things, the affordability framework. He made mention in his introductory

remarks to this. The accessibility/affordability framework certainly is a part of the business plan that the government has, a key part of it, as I think it is their core business 1: a learner-centred system accessible to all Albertans. I'm looking at page 59, I think, of the book that deals with business plans. Under strategies the very first point, 1.1, is: "Implement the accessibility, affordability and quality requirements in the Access to the Future Act." Speaking to this general issue, I am going to draw the minister into commenting on something that's, perhaps, not in the budget as such but certainly bears on what could be in the budget. Certainly, in terms of forgone revenues the government on a yearly basis does forgo some revenues as part of the education tax credits scheme.

I just came across a report that was released today by the millennium scholarship fund. It's a national report. I have before me the executive summary, and it certainly draws attention to the two kinds of tax credits that are available to students and their families in order to ease the burden of, I guess, affordability-related costs: the tuition fee tax credit, which is applicable to income tax paid federally and provincially; and the second one, the education tax credit available federally and in all provinces but Quebec, claimed for every month during which a student is enrolled in postsecondary studies and intended to defray such costs as books and living expenses.

I draw the minister's attention to this report because I think it has some significant policy recommendations here. I want the minister's initial comments on it if he can do that on short notice. I'm not sure if he had the chance or if his staff had the chance to look at the report or the short executive summary that is there. The report finds that the effects of the credits, education tax credits and the others, are at best neutral and at worst regressive and that they are bad policy, at least in terms of encouraging postsecondary participation. It proposes alternative ways to use the money over the discussion of the pros and cons.

Now, the minister did in his introductory remarks refer to perhaps even extending this tax credit scheme in order to move towards attaining the goal of affordability. This report speaks against the existing program, specifically educational tax credits and the tuition fee tax credit. What it does say, however, is this: as alternative, better policies, which are progressive, not regressive, in their effects and consequences, direct grants are one way.

Grants paid directly from governments are the largest source of funding for colleges and universities, currently accounting for 54 per cent of total expenditures. Increases in grants might enable an expansion of the post-secondary system and, consequently, the number of students.

Now, we know, whether we're talking about NAIT or SAIT or Mount Royal College or the University of Calgary or the University of Alberta, that thousands of students are finding it difficult to get in even though the participation rate in Alberta in the postsecondary system is one of the lowest in the country. In spite of that, there are thousands of Alberta students who are now being turned away from colleges and universities because of the problem related to availability of spaces, in other words an accessibility problem. Here is a suggestion that's made by this particular report, and I'd like the minister's comment on whether or not he's willing to look at changes in policy in light of the research that's available to us, that I'm speaking from.

The second recommendation that's made here is direct grants to students. The issue of affordability, I think, is addressed here. The money committed to the tax credits would be enough to give each postsecondary student a grant of approximately \$1,100 annually. That's the figure that comes right from the executive summary here. Another policy alternative to the existing policy that I urge the minister to consider and see if he would like to comment on where he might go with this suggestion.

Expanding the student loan program is the third one. Adding the value of the credits and their \$1.3 billion to the \$800 million – this is Canada-wide, so I must make this note – from the student loan program would expand it by 2.6 times, making it much more effective. This study also looks at other options, including one from a separate foundation study that says that eliminating credits would allow systemic reform so that needed funds could be targeted to low-income students.

There are a number of issues here that this report raises that certainly are a matter of concern to me, and I'm sure the minister would find it important to address them as well. Having said that, I want to make sure that I don't forget this or run out of time before I draw this to the minister's attention for his consideration, Mr. Chairman.

Now, I will go on to the estimates themselves. Mr. Chairman, this ministry, Advanced Education and Technology, is a sort of restructured ministry now. Some of its budget items are, I think, ones that perhaps appeared a year ago in the 2006-07 budget in the ministry of science, innovation and technology, so they are here. I'm not sure, when the minister says that the overall budget increases, that the percentages that he gave and the absolute numbers that he gave really are an accurate way of assessing the real increases because the ministry was very different from the ministry whose budget we debated in this House last year. I would like the minister to assist me in evaluating the exact range of the increase.

I'll stop here and let the minister respond to a couple of questions.

3:00

The Deputy Chair: Thank you, hon. member.

Hon. members, before I recognize the minister, I just wanted to bring to the attention of the Member for Edmonton-Strathcona and other members that the *Hansard* Blues are accessible on the Internet 60 minutes to 90 minutes after the words have been uttered in the House, so while the hard copy may not be available, the information is accessible on the Internet within the hour, hour and a half. In future, if you want to reference, please go on the website, and you'll be able to access that information.*

Dr. Pannu: Thank you, Mr. Chairman. This member is still in the paper mode.

The Deputy Chair: Okay.

The hon. minister.

Mr. Horner: Well, thank you, Mr. Chairman. As the Minister of Advanced Education and Technology I was going to point out to the hon. member that we are online all the time.

As to some of the comments, perhaps I'll try and tick them off, hon. member, and if there's something that I miss, just point it out to me, and I'll come back to it. In terms of support for post-secondary learners there were a number of questions that were asked that were kind of policy level questions, not necessarily budget, but we'll throw some discussion out for you.

The voted budget for student assistance is approximately \$120 million, which is going to enhance the changes that we made via the affordability framework last fall. It includes funding for achievements scholarships, bursaries, grants, loan relief. The statutory budget for student assistance is approximately \$88 million, and that includes funding for the heritage scholarships, the Alberta centennial education savings plan, and the provision for the future cost of student loans because of our loan relief program.

The \$45 million increase between the '06-07 forecast and '07-08 estimate is expected due to the changes in the students' assistance

program. We believe that under the new rules many more students will qualify for more bursaries and more grants, so we are budgeting a higher amount because we expect that those students will not only apply for but receive those bursaries and grants.

When you talk about the tax revenues issue and the millennium fund report, the first thing that I would say is that the report the Canada Millennium Scholarship Foundation came out with was a look at the Canadian system. It wasn't necessarily a picture in time of the Alberta system. That, hon. member, is very important because the Alberta system is second to none in the country. If we're going to take an analysis of, you know, what is the average system across the country and what could be better, perhaps there are some very valid points to be made in the Canada Millennium Scholarship. I would suggest to you that the Alberta loan relief program is probably second to none in the country.

We were looking at more of a holistic, balanced approach to affordability for students. We have a number of programs that are out there for students who are in need in terms of the lower end of the income scale. Certainly, there has always been an approach, and it has historically been so, that where parental assistance is available, we would expect that that would come into play. The federal government's tax system has always been there in terms of student tuition relief on taxes. But there is a vast number of students who are neither rich, nor are they poor. I think what they're looking at is: I would rather see my income taxes reduced because of my involvement in my postsecondary education and my investment in my future and my career. So I do see this as one piece in the tool box to make the entire holistic approach a balanced approach to affordability for Alberta students. What we're trying to make sure is that, as we start to implement a number of these issues in the affordability framework, we don't identify just one group and just try to help that and put all of our resources into that. We want to have a very balanced approach to managing the growth in that.

We have a fairly substantial increase in the grants. The hon. member mentioned that he felt that one way of reducing tuition would be to increase the grants to postsecondary institutions. We've done that because we put a limit on the increase of tuition, so we had to increase the grants to postsecondary institutions to make them whole. I would argue that another way that you could conceivably reduce tuitions is by reducing cost, because tuitions are cost based. We're going to be looking at that as well but only in the context of maintaining quality, only in the context of building the capacity.

Another issue that the hon. member raised was that we do have an issue around students being turned away or not being able to find the appropriate space. I'd like to make a couple of points on that. The first point is that it has probably very little to do with tuition. It has a lot to do with capacity and having those spaces available in the right places, I might add. So what we've been doing – when you look at a \$1.6 billion infrastructure budget for postsecondary, I'm sure that there are many jurisdictions in Canada that would love to have that capital plan and those dollars to deal with capacity issues. We're working diligently at that. We have a huge amount of growth in the system.

The hon. member might remember a report that the same group, the Canada Millennium Scholarship Foundation, did some months ago that indicated that they were concerned that we might be 300,000 students short in the near future if we continued to build capacity or even if we didn't continue to build capacity. One has to take these reports along with other information from other areas, balance them out, and make the prediction for just Alberta.

The other point I'd like to make on this concept of students being turned away is that it's very difficult for us to determine whether they've been turned away, whether they've decided to go to another jurisdiction, whether they've decided to go to another institution.

*See p. 1345, left col., para.4.

It's difficult to track right now. One of the things that we're working on with the roles and responsibilities framework and some of the other collaborative projects that we have on with the post-secondaries right now is to figure out a system which would provide more seamlessness and transferability for the students and also provide us with the information that we need as a collective group to do the planning for those necessary spaces and to give us an idea of where the students really want to go. If we can track where they're actually going and what curriculum they're actually taking and where they're going after that in terms of their employment, that will help us project and determine what capacity we need to build into the system.

Currently we've got something in the range of \$50 million in bursaries and grants going out to some 30,000 students. The Alberta loan relief program automatically repays debt accumulated beyond \$3,750 per semester. The latest numbers that we have coming from graduates, some statistics that were given to us, show that Alberta students even today – well, in the latest numbers – graduate with the lowest average debt of any of the students in Canada.

I think what we're trying to do, as I said before, is take kind of the balanced approach to where we're headed. We're trying to make sure that overall we have the affordability framework on stream, on track. Did we do everything that was in it? Not yet. Are we going to try and do as much as we can? Yes. But it's going to take a period of time because the institutions have to be able to respond, and we have to ensure that the quality and student accessibility are still there.

The Deputy Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. It is gratifying to note that the minister was paying close attention to remarks and tried to respond specifically to some of the questions that I raised that arise out of the millennium scholarship report.

I think there's something that intrigued me here that he might want to know. He talked about how students benefit from the education tax credit or the tuition fee tax credit. It is true, but the numbers, Mr. Chairman, the percentage of students who benefit from this is very, very small. It's very difficult for me, and I think for the minister, at this stage to be able to give the Alberta numbers, but nationally, at least, the numbers are given which are quite instructive. I'm sure that the minister and his staff would like to take a closer look at the corresponding numbers for Alberta.

3:10

Here are some numbers that I'm just going to draw the minister's attention to.

Most postsecondary students [Canada-wide] (61 per cent of full-time university students and 64 per cent of full-time college students) have an income of less than \$10,000. There is no real advantage for them to claim the credits during their studies.

I'm reading directly from the executive summary of the research report that I referred to.

Less than five per cent of youth earning less than \$10,000 pay any tax and, when they do, the average amount paid is a mere five dollars.

When income reaches \$20,000 annually, post-secondary students who use their credits realize tax savings of \$500 compared to non-students earning the same amount. However, less than eight per cent of university students and ten per cent of college students are in this earning category.

These are numbers for Canada. I think it's incumbent on us to find out what the corresponding numbers for Alberta are if we want to either defend the current policy in place or want to develop a

justification for changing that policy or tweaking it if these numbers here are, in fact, such that there is justification to rely on them in terms of policy guidance.

I agree with the minister that not every report you can take word for word. You have to read them critically and understand them carefully before you accept or reject the findings, but here is a report, in my view, that makes some very serious and sound observations, which merit the attention of the department and of this government and of the minister.

A question on loan relief. The minister did of course draw attention to the fact that the amount for student loan relief has been increased. My specific question to him is about numbers, both in terms of the number of students who have enjoyed loan relief over the last year and the total amount spent. What's the increase in terms of dollars to that particular item in the budget for relieving students of the loan burden? I think it's a needs-based program. Is this true? If the minister would outline the assessment criteria, then, as to for whom this relief is available. Are the conditions and the qualifying criteria being relaxed in this budget? I think the minister made a reference to it. I would like to hear more concretely about the relief and the criteria used to determine whether one qualifies to have access to the loan relief program that the government has.

The idea of loan relief, I think, is laudable, Mr. Chairman, and Mr. Minister, I want to commend and express our support for that policy. The point is about how accessible it is and what percentage of students in need, in fact, are able to take advantage of it. I think that in my judgment, based on what I hear from students, this loan relief program is welcomed by students, but they think that it's unnecessarily restrictive in terms of its accessibility to students in need.

On the issue of quality, the minister again said that they were looking at the holistic picture. The minister talks about a 6 per cent increase, you know, the base funding increase, to postsecondary institutions, universities in particular. We know that the inflationary costs alone in this province now are close to 6 per cent. I'm not sure what the inflationary increases are with respect to educational inflationary costs. The minister might have some numbers on it. Is 6 per cent adequate even to maintain the current quality of services provided? Quality, Mr. Chairman, I want to draw to the minister's attention, is very much contingent on the class size in postsecondary institutions.

I have spent all my life in postsecondary institutions at the university level. I know that class sizes grew enormously during the period of difficulty starting in the early '80s, and the problem was simply exacerbated and became much more severe during the '90s and the early years of this century. Faculty-student ratio is one of the key determinants of quality, particularly at the end of the graduate level.

Is a 6 per cent increase, then, commensurate with the existing facts and the need to reduce class size, particularly at the end of the graduate level, in our postsecondary institutions? It seems to me that it's a budget made, in this regard in terms of a 6 per cent increase to postsecondary institutions, essentially to maintain the conditions that are currently prevalent in our postsecondary institutions, not to improve them. Is the minister satisfied, in other words, with the current quality of education? Is that the best we can have? Or does he in fact agree with me that there are challenges in that area? If so, what's in the budget to begin to address those challenges year by year over the next three years as part of the business plan? So that's a question for him.

The minister also I think misunderstood me when he said that the students are not necessarily being turned away from universities and colleges and that there's no way for the government to exactly have a clear handle on this. Again, the matter is complex. I think people

apply to two or three institutions at the same time, hoping to get into law school or medical school or so on and so forth. We know this. But if we have to have a policy with respect to availability of spaces which reflects the existing demand and our own commitment to creating a future workforce which will serve Albertans' needs in the coming years, then we have to have some way of developing a reliable picture of that demand. I'm asking the minister: is the minister or the department capable of doing this or not?

I mean, it's an inexact science, I'll agree. You have to rely only on best estimates. Nevertheless, in order to plan for the future and to increase accessibility, which is one of the commitments that the minister makes in the business plan, there has to be some way that the department has to determine potential demand. If we don't do it and simply say, "You know, the matter is too complex; no one can be sure about it," then I think that's not the answer. So that's my next question to the minister.

The fact that the University of Calgary admission standards have been sort of jacked up to an 85 per cent average from high school – and I think similar numbers can be found at the U of A – tells you that there's no clear relationship between admission standards, the minimum kind of average you need to have to get in, and your ability to take advantage of that. Is 70 per cent not good enough? Is 75 per cent not good enough? These are public universities. These are not the Harvards of the world. You know, it's not as if... [Dr. Pannu's speaking time expired] All right. Let's stop and go on from there.

The Deputy Chair: Hon. Member for Edmonton-Strathcona, I made a remark earlier about accessing the Blues on the website. I was provided information that's not necessarily accurate, so let me just make sure that the accurate information is provided to you and other members. I am given to understand that within an hour, an hour and a half of words being uttered in this Assembly a hard copy of the Blues is accessible in the backroom there. Otherwise, it's accessible on the LAO network, but only certain people have access to it. So it's not publicly available. My apologies for that.*

Mr. Horner: As to the LAO network, we do have access to that as well, Mr. Chairman.

I was interested in what the hon. member was saying at the end there as it related to entrance requirements set by the universities, so I'm probably going to ask a question at the end of my answers here of the hon. member because of his, I know, many, many years' experience in the postsecondary in his role as a professor.

We'll go back to the education tax credit. The hon. member is very correct when he says: do we have hard numbers as to, you know, income and earnings of students and how that affects? We do, actually, carry some fairly good numbers. When a lot of these students apply, they're using their tax base to establish their need in the student finance system.

3:20

One of the things that is kind of interesting in some of the data that we've seen is that Alberta students' income has risen 18 per cent in the last two or three years, which is indicative of the economy in which we are. It's indicative of perhaps a little bit of a shift in some of the students' lifestyle choices that they're making these days, a little bit of a shift perhaps in more part-time students and part-time work at the same time, which I think personally we're going to see more and more of in our institutions, and we're going to have to cater to a workforce that wants to take us up on our word of lifelong learning. They're going to want to be able to work and continue to increase their knowledge, which is a very good thing. It's not a bad

thing. It's a great thing. We want the highest level of educated workforce we can get. The student income is probably higher than the national, and again taking into context the national report applied to our province, there are going to be some differences, some variances, and we need to take that into consideration.

The other thing with these tax credits. If the students during their studies can't have access to those tax credits, remember that they roll over to the next year and the next year and the next year. At some point in time the student is going to benefit from the investment that he made in his education. Given that the numbers would indicate that a student taking postsecondary education is more likely to earn a million dollars more in their lifetime than someone who has not taken postsecondary, tax credits might come in quite handy down the road. Certainly, it's always nice to see more dollars in your pocket than sent to the government.

Again, it's part of the basket. It's part of the mix that we put together for the affordability framework, hon. member. We're going to continue to build on that framework. We are, obviously, as well enmeshed with the federal government in a number of these programs. We are mirroring the federal tax credit so that we have some continuity with regard to the program that the federal government has put out.

We talk about changes to the student finance system and the needs-based analysis that we do on the loan relief program. If the students qualify as needs students and their loan relief is fully implemented on the Alberta side, the interesting thing is that the debt that they are left with is entirely the federal portion. There's no loan relief available on the federal portion of the 7140 I think is the number.

Again, when you start to talk about things that Alberta wants to do within a federal/provincial joint initiative, if we're going to make some fairly significant changes to that, obviously we have a partner involved in this that we're going to need to make some changes with, and they're going to look at it from a national perspective. Would I like to look at some other methods that we can use provincially to open up more accessible dollars for investment for students? Yes, and we're going to be pursuing that avenue as an investigation this year. There's nothing in the budget for that this year.

I would agree with the hon. member that class size is certainly something that is important in the system. I'll go back to one of my other answers to the hon. member's questions about doing the roles and responsibilities framework and the needs analysis. The needs analysis is exactly what you're talking about. It's talking about: what is the demand, what is the employment demand, what is the inventory of capacity that we have in play today, and how do we mesh all those things together from a Campus Alberta perspective?

In order to plan for those capital dollars and plan for those spots and plan for those apprenticeship spots, that's the kind of needs analysis that I'm talking about doing. You were asking: why aren't we doing it? That's exactly what we're doing. It's ongoing work as we speak. We will be bringing all of the postsecondaries in again in August to talk about the results of that needs analysis and perhaps even sooner than that in terms of the capacity in the facilities to talk about where we see the future of the inventory of capacity versus the demand on that inventory and talk about their individual plans, their individual capital plans.

One of the things that I as minister will freely admit is that I think we have allowed an independent system of individual capital plans to be built up without a lot of interactivity between the two of them so that you get some semblance of a co-ordinated approach on the capital side. We're going to change that. We're going to start asking for a lot more co-ordination on the capital that they're going to put into the capacity for the system.

*See p. 1343, left col., para. 6

Quality is not always about dollars. It's not always about capital dollars or operational dollars. Quality is about being recognized globally as an educational system that provides the types of pathways for students to achieve their career dreams. That's the kind of system that we want. If you talked to our major universities, they would say that a global university has a ratio of postgraduates to undergraduates of perhaps 1 to 2 or 1 to 3. It allows them the opportunity to pick those undergraduates that are high achievers to work with those postgraduate researchers and to develop that global presence of international students and researchers.

I'm not saying that that's where we're headed, but if the colleges are interested in moving down further the undergraduate degree programs, I think it's not a bad idea to say that they would be a feeder source, that one of their roles, one of their mandates could indeed be taking some of these undergraduate programs to relieve the pressure from the larger universities. As the hon. member knows, that's already happening. Take a look at the nursing program at Mount Royal College, the nursing program at Grant MacEwan College, just to cite a couple of very good examples. I'd be interested in the hon. member's opinion of that type of system where the universities would perhaps aspire to have a higher ratio of postgrads to undergrads based on entrance requirements to compete, I guess, in the global environment.

One last point and then I'll sit down for the hon. member to ask some more questions. As he rightly pointed out, we are an amalgamation of two previous departments, although I must say that the two departments were intricately linked previously because of the research component that we do in our postsecondary system and the applied research component as well, so it made eminent sense to put the two departments together.

If you just looked at the old advanced education budget, if you will, and then pulled out numbers – and this is, as I'm sure the member would appreciate, a little bit of a difficult exercise and not one that we really did to any great degree, but just sitting here and doing some fast calculating – we ended up at just around a 20 per cent increase year over year on the operational side on advanced education if you separated all that stuff out. Don't hold me to that number one hundred per cent because we just did it really quickly here, but we can certainly start to pull some of those numbers for you, and I'd be happy to give that to you in writing.

As to the determination of need, I think it's pretty straightforward to say who's determinate of need based on income, and that's essentially part of what the student finance system does. There are a number of factors that would indicate need for the student. As an example, is it a single mom? Have you been living away from home for more than a year? What is your income? Do you have a disability? Are you geographically challenged? You know, there are a number of things. I'd be more than happy to again provide in writing to the hon. member the criteria that are used in the system to figure out where that need is.

Again, the loan relief program for those students in need, which is really, I think, the category the hon. member was pointing a lot of his remarks at. For anything over \$3,750, in terms of the loan, the Alberta government has a loan relief program that basically wipes that clean for the student. So it's a very good program. I don't think it's comparable anywhere else in Canada in terms of the loan relief, and we're very proud of that. Yes, it can be complicated at times. Yes, it can be onerous, if you will, at times. But the other thing we're doing on the technology side is we're going to use it to make it easier.

The Deputy Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. Thank you to the minister for responding as best he could on his feet, as it were, to some of these questions which really don't have quick answers to them.

3:30

I don't want to return to the questions that we have already gone back and forth on, except that the issue of quality is an exceedingly important one. In pursuit of affordability, in pursuit of reducing costs per student that goes through our postsecondary system, over the past 15, 20 years I think we have ignored and, unfortunately, sacrificed quality in the process. It's an issue that does require, in my view, very special attention on the minister's behalf. I know that, typically, universities in this province have coped with the scarcity of resources – funding, that is – relative to staffing by resorting to changing their hiring practices. Full-time faculty, tenure track faculty proportions have gone down over the years, and that has been replaced with the casual employment of academics: teach two courses, three courses for a year and then see what happens, sessionals, increasing demand on graduate students to pick up the teaching load, increased class sizes.

I think there's a need to take a closer look at how over the last 15, 20 years postsecondary institutions, particularly universities, have found their hand, in fact, forced to change their recruitment policies and recruiting teaching staff and faculty and how that bears on the quality of education. I'm not at all saying that sessionals are less qualified. It's just a matter of how much they're called upon to do, the uncertainty under which they work from term to term, year to year, and therefore are unable to invest their most and their best energies to the task before them, including teaching and research, which, of course, enriches teaching. So there is an issue here that I think we shouldn't just pass off as a political point made and remade back and forth but an issue that really needs some serious attention.

On the loan relief, the \$3,750, I think that only students who meet certain needs criteria would enjoy the relief beyond \$3,750, not every student, if I understand the minister. Or does every student who qualifies for receiving the loan also qualify for this? There's some clarification, I think, needed there.

Moving on from there, Mr. Chairman, to some other questions. With respect to financial aid the minister said that's been increased this year. I think it's \$97 million – is it? – now to students in the budget. I think that's the number that I have here coming from the general revenue book, on page 26. I'm not talking about program delivery. I'm talking about the \$97 million for financial aid, or whatever that is. I think the question that I have relates to last year's expenditures on this budget item. Last year I think that for financial aid, \$94 million in the budget, of which only \$8 million was spent. So it was underspent. I think I would ask for some explanation on why it is that the money that is available for aid, which students claim is not enough, remains unused. What does it say? My worry is that the minister might draw the wrong conclusions from it, that it's not been used because there's not enough need there. So that's my question. I think one has to look carefully again at that one, you know, the underspending. Is it the too restrictive and limiting criteria that prevents students in need to qualify to access student aid, or what is it? That's a question that I have there.

On to some other questions. You know, when I looked at the Calgary postsecondary institutions, within the Calgary system alone 13,000 students were turned away from one institution or the other. Here are some numbers that I have for your note, minister. The University of Calgary received applications from 14,341 students, accepted 8,316. According to my numbers more than 6,000 students were declined entry. If you have some concerns about the reliability of the numbers, then tell me and say that we can't rely on these

numbers. For Mount Royal College I have only the number of declined admissions: 1,112 according to my numbers. SAIT had 11,376 applicants, and 5,337 were declined admission. So here are some of these numbers, and that refers only to Calgary. Calgary, albeit, is a major part of our postsecondary system, of Campus Alberta. Nevertheless, these are large numbers.

I need to know whether the minister thinks these numbers are, in fact, real. If they are, then we have to admit and acknowledge that there is an accessibility problem that is very serious in Calgary as we speak. We can't simply slough off this issue by saying: we don't really know how many people applied; you know, they apply to 10 different places, and then they don't turn up. The information available here is about admissions declined by institutions, not admissions people accepted and then not turning up on the day that the classes start.

If I may move to a question or two on the health workforce issue. You have a joint responsibility, I think, that you share with the Minister of Health and Wellness on this. I understand that that phantom report is available somewhere but not to the ordinary folks like us on this side of the House. Does the minister have access to this report? Is it real? Does it in fact exist? Is he willing to share that with this member and this House?

I think it's crucial that we have the report, have its recommendations, look at the numbers, and have an opportunity to assess whether or not the numbers in the report and the recommendations in it are current given the sort of expansion that's happening across Alberta both in demographic expansion, the expansion of the health care system, the needs of it, and the frantic attempts being made by public health care employers within the health system to seek nurses and doctors and others, physiotherapists and whatever have you, for their respective regional health authorities. There are serious shortages. We are going out to Britain and other places to recruit nurses these days. Why is it not important for us in the House to have that report available so that we can have some informed debate and discussion, exchange of ideas on it?

Here are some numbers that I have. I think they relate primarily to the Calgary regional health authority. An estimated 1,500 doctors will be needed in the next three to five years. That's 1,500. I just find it an incredibly large number. Calgary will need an additional 34,000 health care professionals by 2015 to handle retirements and population growth: 22,500 from retirements, 12,000 to handle demographic growth. I understand that an operating room at the Peter Lougheed Centre was unused for a week because no nurses were available. They were either retiring, or they were on sick leave. Yet only 280 nursing spots were available when 1,200 people applied for them at the Mount Royal College. The minister, I know, talked a while ago about how it's going to increase, the capacity of . . . [Dr. Pannu's speaking time expired]

3:40

Mr. Horner: I'm just checking a couple of my notes, Mr. Chairman. A lot of questions in that last little bit.

I'm interested to note that the hon. member feels that quality has suffered in our faculties. The student surveys that we've done, the interest that we've had internationally would indicate that, certainly, the perception internationally of our major institutions that have global reach – which, actually, all of them do now – is a very high regard for the quality of the students, the quality of the faculty, those sorts of things. I think what perhaps is happening is that there's a bit of a change going on in how they manage the affairs of the university to adjust for what is probably a current reality in terms of the students and the changes in the requirements coming out, lifelong learning in terms of the desire of the students and how they want to be taught.

That's not to say that if you were to ask me if I thought we were done, I would say yes. I think that there's much that we can do, and I think part of this whole concept of the roles and responsibilities in the framework is helping them focus in on what it is they want to be the best at. It's going to be a critical factor moving forward with this roles and responsibilities framework. I think that enabling the faculty and the institutions to be nimble, to be responsive and flexible is going to be just as important as, perhaps, you know, in the early days of universities when they had to be rigid and structured. Perhaps that's not exactly the route that the future will hold for them, with some structure to them, obviously.

I think one of the biggest things that's going to be critical for them in terms of some of the issues that the hon. member brought up is going to be the consistency of the dollars going forward, that they know that the dollars are going to be there. So we say things to them like: "Yes, we recognize that tuitions are not going to go up perhaps what market or costs would indicate that they're going to go up. Don't worry about it. We're going to make you whole. We're going to add and we've already put into our budget that 6 per cent to ensure that."

We're going to work with them on their capital and the plans for that capital to ensure that they have operating dollars when they build a building. What a novel concept. We're going to make sure that we do those sorts of things to fill the capacity on that needs basis. So we're not duplicating. We're doing lots of things so they can focus then on the quality of the instruction and the quality of the university and the research and all of the good things that happen there.

I'm just going to give you a very brief idea of the kind of provision that we put out there for the future cost of loan remissions. The loan relief completion payments are automatically awarded to students who have completed, graduated, or left full-time postsecondary studies and have an Alberta student loan, so they've qualified for a student loan, and have exceeded the minimum debt level for their program. The programs have minimum debt levels. If they have fulfilled those three items, then the relief program kicks in. It's fairly straightforward, although again I say that in order to get the loan, there's a bunch of other criteria that is embedded in that. We will make sure to endeavour to get that to you in writing.

The hon. member pointed out that we had dollars that were underspent and that he was concerned that I might get the wrong impression by that and decide that it must not be a program worth keeping. I would suggest to the hon. member quite the opposite. I'm somewhat concerned about it, that students aren't accessing the available dollars and programs that we have. I know that the hon. member was involved in the A Learning Alberta report and the affordability review, and they told us: "You've got a bunch of silly rules in there. Your cost of living is too low. The student loan limits are too low. So change those things, and we'll access the programs." If the hon. member would note, we've actually increased the dollars available for it because we're hoping that the students will take advantage of these programs that we've put out there.

You know, the stupid rules like the \$5,000 car: I just don't understand that one. We should have got rid of that one years ago. Raising the loan limits, raising the cost-of-living allowance: those are the things that we hope are going to attract more students to utilize the services and the bursaries and grants that are available under that program. So quite the contrary, hon. member. I think it's a very valuable program. It's part of the affordability framework. That's why we put more dollars into it as opposed to less.

My hope is that in terms of when we talk about accessibility and these numbers being turned away and the number of students applying and those sorts of things, it was not my intent to give you

the indication that I'm not listening to those numbers. Quite the contrary. We are doing a lot of work, trying to figure out how accurate the numbers are. We're doing a lot of work and spending a lot of time and resources on trying to get a handle on what is the actual need, what is the actual demand. As I've said, the needs analysis.

It's our hope, too, that a system that we're working on in cooperation with the institutions, called APAS, might help us with that. The vision, hon. member, is to have it so that a student sits at his computer and creates the pathway for his success in our postsecondary system. Through that system, he can apply for a loan, he can apply for assistance, he can apply at the various institutions that have outlined their pathway for the career of his choice.

I think it's important that we get information from that system that tells us whether he was successful in his application, where he went, and what course load he took – was it because the other one was full, or was he refused? – so that we have that information. You can imagine how important that is to us to do exactly what the hon. member has been talking about: determine where we need to build space and capacity. It's my hope and the vision of this government and this department that we're going to get to that type of a scenario sooner rather than later. We're going to push very hard to make that happen.

There was some discussion around a phantom report. I don't know about any phantom reports, but I can tell the hon. member that the three ministries are working very hard with industry, with the regional health authorities, and with the postsecondary institutions on doing a very similar kind of exercise of that needs analysis, saying: what is it that we need to do to train our own? What is it that we can do to repatriate? What is it that we can do to bring successful students from other jurisdictions to complete their studies here or do their residency here? We're looking at ways that we can coordinate the numbers.

Again, the numbers that the hon. member spoke of – the 1,500 doctors, the 34,000 health care professionals – I would say that those numbers are somewhat high given the information that I have seen from various different sources. Is that to say that we don't have an issue on our hands? No. We have an issue. The issue is capacity in Calgary. The issue is capacity in Edmonton. The issue is capacity in Grande Prairie. The issue is capacity in some of the northern areas, the University of Lethbridge, in certain programming areas. We are working hard to try to address that capacity. I can't wave a magic wand, and poof, there we go; we've got it. But we do have a plan, and we're working towards that plan of a strategy for the health workforce that I think we'll see how we're going to achieve those targets, how we're going to get there.

I think we're going to have to review that annually because, as you know, things change on an annual basis. There are different environmental aspects that may come into play in terms of the employment of these health care professionals that may change those numbers, and we need to make sure that we do this on an annual basis. That's our target. That's our hope.

We have committed, as the member said, some dollars already. We doubled the number of nursing spots in Mount Royal College. We doubled, essentially, the number of spots that were going to come out of Edmonton. We are looking at high-priority fields in health care. We've added \$47 million in the planning envelope to create spaces for degree, diploma, and certificate programming there.

We do recognize that we have issues around space not only in the health care fields but in many, many, many fields. We're working as diligently as we can to identify appropriately so that we're not overbuilding either, that we're identifying appropriately where the

right place is for us to invest those dollars. Even if you have the dollars, you still need the instructors, you still need the labs, you still need all of those things that I know the hon. member is very aware of. It can't happen really quick. It's got to happen in consultation with the institution.

3:50

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

Mr. Martin: Thank you, Mr. Chairman. I'd just like to follow up where the minister ended. I say that there's no doubt with the economy we have right now, that I call on steroids, it's creating all sorts of problems. Certainly, it's occurring. We talk about the housing. We talk about public education, health care. In your department I'm not sure how you deal with this problem, to be honest, in the short run.

You know, I look at the figures, and I think about all of us who went to university at one time. When you now need an 85 per cent to get into university, I doubt that there are many in this Legislative Assembly that would be going to university at this particular time. So that's sort of – and I know the minister is aware of it – a double-edged sword. Now we have a whole group of people, thousands of young Albertans, and we need them, certainly, in the workforce, but they're not going to get in. I don't have the figures, but I know that it's high to get into NAIT or SAIT or Mount Royal or Grant MacEwan in many of these programs. It's very hard. So we have a whole group of capable people, average or above average students, and I'm not sure what we do with them. I mean, I guess the oil patch can take some of them. But we're creating, I think, a definite social problem down the way. I know that you can't snap your fingers and deal with that capacity overnight. Again, I would argue that we should've been doing this planning a long time ago. I know that the minister has only had this portfolio for a short period of time.

Then the other double-edged part of the sword is this, especially in apprenticeship. We're trying to do some work in apprenticeship, but we're at such a shortage now that without our own people being trained, we have to try to bring in temporary foreign workers. We've had a discussion in the Legislature, you know, about the problems there that we're facing.

So I agree with the minister. There's not, you know, sort of a snap your fingers and we can solve this particular problem. I suggest, honestly, that as long as we're not prepared to put the foot on the brakes – and I think the fact is that nobody wants to overspend in any area – as long as we have the economy that we have, it's going to be very hard to keep up. We're going to have to spend more money. You can't do it on the cheap. I think that's true in this department. It's probably true in other departments. I know that the Minister of Finance talked about that in his budget this year, that we've had to increase it. Whether that's enough or not, it's a lot of money. But it has to do with the economy that we're facing.

I know that there's not a simple answer there, but I suggest that this is a dilemma to the minister, and maybe he could comment on it. How many students, then, are we losing, that can't get in because of the marks going up that ordinarily in the past would be going to one of our institutions? What happens to them? What sorts of social problems are we going to create down the way? At the same time, we need these people. It'd be nice to have them being trained to go into the various shortages that we already have. I think there's a huge social problem developing there, Mr. Chairman.

I want to just look again at the health care because that's partly in my area too. I've raised questions with the health minister about

this. I expect the problem is this. I think the task force was supposed to report – correct me if I’m wrong – a year or so ago. But I think the numbers keep changing because of what we’re talking about. If that’s the case, I wish the minister would tell us that and also indicate to us when we might take a look at this.

I suggest that we’ve got a serious situation developing. I think we’re in negotiations with a lot of the nurses right now. We’re in negotiations with the doctors. Next year we’re in negotiations with the health sciences. At the same time, growing shortages. We talked about whether the figures are high in Calgary or not. The minister knows that it is desperate in many areas.

I think it’s important to get that task force report out quickly. Even if we can’t deal with it, which I don’t think we probably can in the short run, at least we begin to know sort of the magnitude of the problem. Then, frankly, I think the government has to decide broader than this department, you know, how fast we should continue with the growth that we’re facing if we can’t keep up.

I think these are very broad issues that we all have to deal with. I have some sympathy, frankly, for the minister when I look at sort of the figures that I’ve seen. We have a department with a budget, whether it’s gone up a little bit or not, and we see the magnitude of the problem. How do we deal with it? But we’d better start dealing with it in a very significant way.

Mr. Chairman, I guess I’m asking, rather than a specific question, about some general problems that I see coming up overall and a little more specific about the task force on health care. In Calgary there are code burgundies almost all the time. There are the same in Edmonton. You know, we’re going to face these stresses. I guess I’d just like to follow up, if we could very briefly, on more sort of a philosophy, to see where we’re going, as he sees it, in a broad sense.

Thank you.

The Deputy Chair: Hon. minister, you may proceed. We have enough time.

Mr. Horner: Okay. Thank you, Mr. Chairman. I had the opportunity to recently travel to China with a number of our postsecondaries. They have a lot of very solid relationships in China as well as the Minister of Science and Technology in China. When the hon. member said that we have our economy on steroids, relatively speaking to what they’re doing over there, we’re a little bit. It’s interesting to see how strong their economy is going and what’s happening over there. It gives you a little bit of an appreciation. They’ve got some issues around infrastructure. They’ve got some issues around postsecondary, health care, all of those sorts of things. They’re all very similar. Relative to us, they’re very, very serious, and it’s managing that growth that’s going to be the key factor moving forward.

We didn’t believe and I don’t think there’s anybody in Canada – certainly, the Canadian millennium foundation – who believed that we might be 300,000 students short, for all of the facilities that we’re building. It’s very difficult to say that this is because we didn’t do it before. Before there was probably somebody saying: why are you building all this stuff when there are not going to be any students? Now they’re saying: why didn’t you build it? Because now we’ve got all these students.

It’s also difficult to ascertain, as I said before, even an approximation of the number of students who did not end up in a postsecondary institution somewhere in our system. As the hon. Member for Edmonton-Strathcona pointed out, they may have applied to five different places and got into one, but those other four said: well, we didn’t have space for them. It’s difficult to determine that. That’s my hope on the APAS system, that we’re going to be able to get much clearer data about where we have the issues around capacity.

That’s not to say that we don’t have an issue around capacity. We do. I would love to not have the opportunity to say that it isn’t a tuition issue; it’s a capacity issue. If you reduce tuition to zero, you still wouldn’t get one more student into our postsecondary system. There just isn’t any room. We need to do a lot of expansion of the capacity in our system. That’s what \$1.6 billion worth of capital is at work doing today with our postsecondaries. We are responding to the issue, and we’re working hard on it.

When you talk about 85 per cent to get into university, the hon. member is very correct: there is no way I would have gotten into university with that kind of a thing. But I think it’s not a fair statement to say that every one of our postsecondaries requires an 85 per cent average. There are certain pathways that students can take that require less of an entrance requirement but will get them to the same end result, perhaps in a different way. I think that was true of my day and probably true of the hon. member’s day, that there were other ways to skin that cat, and there are today other ways to do it as well. That’s not to say, again, that we don’t have an issue around capacity.

Partly, too, in some instances the particular institution might be targeting a certain level and quality of student that they want to put into that particular place to work with some postgraduate researcher or some other quality issue that they might want to pursue, so that has to be taken into consideration when you start talking about that.

To say that we could have averted the temporary foreign worker issue by training our own, currently we are well over 65,000 spots for apprentices, more than anyone would have ever dreamed we could even possibly do in this province given the infrastructure that we have, more than I think any province in Canada with maybe the exception of Ontario. Certainly, we have responded in spades to the demand there, and we’re continuing to respond. In fact, in this budget there are allocations there to continue to expand our apprenticeship spaces.

4:00

Having said that, the industry tells me that there is no way that by doing this we could even hope to respond to the actual need that’s out there. We need more people. It’s very evident that we need to bring more people in. Can we bring them in and train them? You bet. We’re going to be working on that as well.

In terms of the health care task force, again, I will reiterate that, yes, we know that there is a serious issue around being able to train, repatriate, bring in health care workers at all levels and in all classes, all different vocations in the health care field. Again, the expansion of that industry and the expansion of the need has been very, very dramatic, much more than anyone would have ever been able to forecast.

As the hon. member knows, I used to be in a little bit of the forecasting business and based my income on trading in futures and grains and foods and everything else around the globe, on trying to predict where the next spike might come from. If I’d had the ability to predict any one of these things, I’d be a very profitable person today, and you would be asking for a lot of advice from me for a whole bunch of different things.

I don’t think anybody could have predicted this, nor could anybody predict the extent that it’s going. It’s going to be extremely difficult to predict what the need is going to be, and that’s why we have to be very careful about the information that we use when we do those predictions. As I’m sure both the hon. members would appreciate, we’re going to be as careful as we possibly can to ensure that our numbers are right and that our investments are in the right places. In the timeline that it takes, we have to be as close to being right as we possibly can.

Thank you, Mr. Chairman.

The Deputy Chair: Hon. Member for Edmonton-Calder, we have about eight minutes left to conclude advanced education, so you may use your time accordingly.

Mr. Eggen: Yeah. Absolutely. I appreciate you, Chair, for pointing that out. Certainly, my colleagues have done an admirable job in outlining our concerns in regard to postsecondary education. I perhaps just wanted to continue on the lines of our previous speaker just in terms of – and not to sound callous or anything like that but to make the best use of the labour that we have available in our province. You know, I bring that forward as not just someone who follows education but also as someone who has young people in my own family. I would like to ensure that they are getting the education that best suits their ability so that they can contribute in the best possible way throughout their lives to the economy.

You know, sometimes you just have to crack some eggs, so to speak, to make an omelette. We're at a place now, I think, that's not dissimilar to perhaps the early mid-60s in this province of Alberta where we expanded our postsecondary capacity by a tremendous amount. The benefit that we derived from that significant expansion we're still feeling here today in this province by having a reasonably high level of education amongst a certain generation, that allowed us to make a big leap over into sort of a postagrarian-based economy. Certainly, the oil and the gas and the energy were a helpful addition to our overall economy, but we had a whole generation of educated people who could exploit that in the broadest possible way, so the overall value of our society increased exponentially, not just from raw extraction of energy but our capacity to build value-added to that energy industry.

Here we are in the similar situation, I would venture to say, Mr. Chair, where we're looking at a need for a quantitative leap in our capacity to train people. This is evidenced by these lineups. It was like rock show or something in my constituency at NAIT where people were lining up 24 hours in advance to get a position in welding or radiology or what have you.

You know, these are all our sons and daughters that have the ability, the capacity to contribute to the next generation of our value-added economy. It would just break my heart, not to mention cripple us economically, to not make sure that they get the best education possible, and so my suggestion – and certainly I know that the hon. minister has this idea – to make sure that we go ahead and spend a bit to create that capacity to ensure that those students get an education in a timely manner.

There was one concern that I did have that I wrote down here: changing, perhaps, the way in which we look at a postsecondary degree to unfold and having that unfold over a longer period of time or a part-time basis and whatnot. Certainly, we have to have the flexibility to see that possibility, but, you know, it's again shortchanging the expertise that we require in our economy and shortchanging students as well to say: well, you're going to have to take, you're compelled to take your university or your apprenticeship training or your NAIT training or SAIT training over a longer period of time because – you know what? – we just can't accommodate you right now. I think that it would not serve the purpose of our secondary needs very well to look at it that way.

You know, I would say that this is a bit of a distortion of this idea of lifelong learning. Lifelong learning is a great thing, and certainly if people can have the fortune to train for two or more careers over their lifetime, that's wonderful. However, we need to educate students to the very best of their ability in a timely manner so that they can contribute to the economy and contribute to a quality of life for them and their children.

The Deputy Chair: Hon. minister, we have about two and a half minutes.

Mr. Horner: Thank you, Mr. Chairman. I will be very brief as I want to try and cover off four quick points. The hon. member talked about making the best use of the workers that we have in the province, so I look forward to his support when we start talking about scope of practice in the health care fields as to ensuring that workers in the health care fields are actually doing the things that they were trained to do and changing some of those perhaps archaic rules around some of the ratios and those sorts of things. I look forward to that, and indeed that would be cracking some eggs to make more than one omelette.

The lineups that you mentioned at NAIT is interesting commentary. You know, the perception is that that means that they were lining up to try to get in because they didn't have a spot. In actual fact, it was a lineup to try to get in because it's first come, first gets to pick the day that they get to go in. There may be better ways to do this, and, certainly, I think NAIT is probably looking at that. When you say that today is the day, and it's first come, first gets to pick the day that they get to go to school, it doesn't mean that the others don't get to go. It means that they don't get to pick, and I think we need to be cognizant that that was the reason for the lineups.

The other thing is that I don't want the hon. member to go away with the wrong impression about what I said in terms of part-time students. It's not that we as a government or that the postsecondaries are saying: "Gee, here's a neat way to save costs or do something different. Let's make them all part-time." The students themselves are making these choices; they're the ones. What we're seeing is that the students are making a lifestyle choice to say: I want to work, and I want to go to school to better myself, and I am more than willing to do it over a longer period of time because that's what I want to do. It is not us that are doing it. But at the same time, our postsecondaries need to be responsive to what the student body is actually asking for. That's, after all, what we're here for: to respond to the students. I didn't want the hon. member to leave with the impression that we were pushing that agenda as much as our clients are, and that's really who we serve.

Thank you, Mr. Chairman.

The Deputy Chair: Hon. minister, particularly your staff, I just want to thank you very much for coming here to support your minister and provide the necessary assistance.

Education

The Deputy Chair: I call upon the Minister of Education to introduce his staff and proceed from there.

Mr. Liepert: Thank you very much, Mr. Chair. I have only one staff on the floor, Deputy Minister Keray Henke, and I hope that we can answer all of the questions that are posed today.

I would not propose to make any opening comments. We went through this process with the other opposition members about a week ago. That time, it's well recorded in *Hansard*, my opening comments. So I would be open to try and answer questions from the third party.

4:10

The Deputy Chair: Hon. Member for Edmonton-Calder, just before I recognize you to speak, I need some direction from you and your caucus as to whether you would like to continue the format of the 10-minute or you would want a 20-minute time clock going back and forth, question/answer.

Mr. Eggen: If it's okay, we would like to continue with the system we were using previously if it's okay with the Minister of Education as well.

The Deputy Chair: Very well. We will begin with you with the 10-minute time slot. Go ahead.

Mr. Eggen: Okay. All right. Thanks, Mr. Chair. I just wanted to thank the minister and his deputy minister for this time to go over some aspects of the budget in more intimate circumstances, perhaps, than we did earlier in the afternoon. I would certainly like to thank, as well, the ministry for being quite forthcoming in providing information that we've required in the past, and we would certainly appreciate that to continue here in the present and the future. My questions are around, sort of, four areas: addressing capital projects, addressing program operating funds, discussing the unfunded liability issue to some degree, and speaking about private school funding. These are the areas that myself and my colleagues as well will pursue.

I'm going to start off with the capital project issue. You know, we have this overarching theme that goes on with each of these ministries, K to 12 education certainly not being excluded, and that is a tremendous growth in our population here in the province and a corresponding increase in students that require K to 12 education. We have a little bit of a mini baby boom taking place in the province, so we know that people must be feeling stable enough to reproduce. But that, of course, means that we have to look into long-term planning for the expansion of our K to 12 capacity in the province because of this, as I say, increasing population both from inside and outside of the province. It's a fine thing to have, and we'd like to provide that capacity.

You know, looking through the budget, the \$508 million this year going towards capital projects – that's from page 95 of the budget – is looking into this, sort of, vast chasm of requirements for building new capacity in the province. There are 71 previously identified projects, including 47 new or replacement projects and 24 modernization projects, 12 new schools or so announced this year, and \$96 million for infrastructure, maintenance, and renewal. My calculation is that while this certainly sounds ambitious and is a reflection of our growing economy, in terms of absolute dollars this seems to represent a drop by at least a number of 12 per cent. I would like to ask the minister if this corresponds to his perception.

As well, if you factor in inflation, which is quite a rampant issue here, unfortunately, in Alberta, then I'm seeing a 24 per cent drop in actual dollars. Perhaps the minister could comment as to how he perceives this to be unfolding – right? – from the previous year's budget.

According to our calculation, this leaves approximately \$400 million a year for the two subsequent years, including money for maintenance and renewals. We have an incredible request for 172 new or replacement schools, so, you know, by my simple calculations here this budget that we have before us barely addresses half of the recommended projects. I would ask the minister, then, first of all, how the government intends to deal with this chronic shortfall of schools that will be required across the province. We need both a short-term and long-term plan to deal with this infrastructure deficit, so to speak, as well as the practical development of these schools. So I'd be curious to see how we're going to tackle this here in the immediate and long-term future.

I would like to know as well how many new seats the government foresees this province needing in the next five years, let's say, considering this request for so many new schools as well as replacements with the population increasing like it is. You know, given that the maximum amount available for the next two years would be

\$300 million, I would like to ask the minister as well how he would intend to cover the inevitable space shortfall in the education sector. Really, that's a similar question as to how we're going to meet the needs of these new schools. It's a matter of geography, Mr. Chair. You know, there's a shortage of schools in certain places where new subdivisions are being built, where people are choosing to move from other parts of the province or other parts of the country.

Moving on to the second section that I had outlined, talking about program operating budgets. Again, we've had this discussion here and there, here and otherwise across the province. There's some confusion about the budget and how much base operating of the shortfall there is. Perhaps we can gain some clarification on this part of our debate.

Program budgets received a 5.5 per cent increase over the last year's budget according to page 94 of the budget. I'm seeking clarification here, right? Of what I see as a 5.5 per cent increase, 3 per cent seems to be going to general program spending by the boards. An increase as well is earmarked to the class size initiative, again on page 94 of the budget. Then 2.5 per cent goes towards prescribed funding, according to my calculations, Mr. Chair. You know, this is the nub of the debate that we've been having here. Again, I'm just seeking clarification if there's any other funding that is going to general program spending.

Of course, the big criticism that the school boards and the Teachers' Association as well as the Alberta New Democrats have is that this 3 per cent doesn't seem to match the inflationary pressures that we see, thus we could be in for a net decrease in capacity to run the schools, to hire teachers and support staff. We've seen the manifestation of that already with the Calgary Catholic board painting some bleak headlines in the *Calgary Herald* last week, saying that they would actually have to lay off teachers the next school year if we don't put some supplementary funding into place. That's our criticism.

As well, this is less of an increase than what other ministries actually received for their budgets. Other ministries seem to build their capacity for inflation and expanding programs, what have you, expanding economy in general, into the budgets, but with the K to 12 budget I just see a bit of a problem, right? So perhaps we could get some clarification on that. I would appreciate it.

The other issue that applies pressure to these budgets is that there are so many school boards that are going up for negotiations with their teachers. Of course, the teacher portion of the overall education K to 12 budget is by far the lion's share. How can we accommodate for the increases that will be inevitably negotiated with these new teacher contracts that will be coming up in the fall? I'm just looking for a sense of where the long-term stability in K to 12 is going to come from with some of these rather tight margins for base operations combined with the demands of labour, right? Of course, there's always hyperbole involved with these things, but with the teachers in particular there seems to be the potential for a bit of a standoff, which I don't think anyone would be well served by any means.

4:20

As I said before, Calgary Catholic has sort of been the first one to speak up on this. You know, a lot of the large urban school boards don't have that extra capacity built into them to perhaps accommodate for vagaries in the budget, so that's where you usually see the canary and the coal mine, so to speak. The large urban budgets being stretched as they already are is an indication of probably where a lot of other school boards are going to be as well.

So, with that first round, I would ask if the minister would care to . . . [Mr. Eggen's speaking time expired]

The Deputy Chair: The hon. minister.

Mr. Liepert: Thank you very much. I will attempt to try and cover all of the issues that were raised by the hon. Member for Edmonton-Calder, but I may very well miss a few of them. If I do, we've got another hour and 22 minutes.

The member talked a lot about our growing population and the demand for seats. The reality of it is, though, that our enrolment is not increasing significantly. It's less than 1 per cent. This year alone in Alberta we will be adding about 8,200 classroom seats, and the enrolment growth is expected to be less than 5,000.

Our issue is not with lack of space; our issue is lack of space in the right places. I can say that nobody knows that better than myself. Although there are two new schools under construction today in my constituency – I have one public school and one Catholic school – I happen to have a catchment area that takes in an older part of Calgary, so the kids are all bused to the older part of town. We could meet literally all the demands if we could just pick up those schools and move them to where the kids are. Of course, the hon. member would know and the hon. Member for Edmonton-Beverly-Clareview would know that if you build a new school over there, that means you pull kids out of these schools in the older neighbourhoods. All of a sudden you've got three schools where probably only two are required; therefore, you run into the old issue around closing schools in the inner city.

While our population is growing, our actual enrolment last year was 1 per cent, and we're projecting a half a per cent this year, so we will have enough spaces for children. It's a case of them not necessarily being in the right place.

I wanted to deal with the issue around the decrease of some \$70 million in our budget relative to infrastructure. Two years ago our infrastructure maintenance funding stood at \$48 million annually. Last year we increased it to \$200 million, and this year we've set it at \$96 million. Now, you can either look at that as a 50 per cent reduction from last year or a hundred per cent increase from two years ago. If you compare it to last year's amount on infrastructure maintenance, we're down about \$70 million. So that's where that discrepancy comes in. I think you referenced it from page 94.

Now, there's also another issue in there which relates simply to cash-flow timing. There is a certain time of the construction phase of new schools when cash flows out at a higher rate than at different times of the year, and we just happen to be in the cycle where last year there was a significant amount of cash flowing out for the construction of new schools. We're in a bit of a dip now, and that'll probably increase next year. Overall, our capital budget for new school construction is relatively unchanged from last year. The only new funding that we've put in is the hundred million, which I hope to be in a position over the next few weeks to expand a little bit more on how we intend to allocate that. I would ask the hon. member to just watch the news.

We then went to the area around funding. Well, we have had this discussion in the House on a number of occasions. I know that there is always the desire, if you're attempting to negotiate contracts, to, I would say, tie it to the most convenient number you might want to tie it to. Today it happens to be the rate of inflation. I know that the Teachers' Association has talked about the rate of inflation of 6 per cent and that the base operating grant is only 3 per cent. I don't happen to subscribe to that just because this year the rate of inflation is 6 per cent. If it happens to go to minus 2 per cent next year, my guess is that we're probably not going to have a rollback in wages. I believe in a combination of things: the 3 per cent base grant, the fact that school boards across the province have an accumulated surplus. Some other issues that may evolve over the next while will

result in the ability of school boards and local associations to arrive at contract settlements.

I didn't quite catch the wording, but the hon. member related something about getting involved in negotiations. I want to make it very clear that we will not be involved in any negotiations. That is clearly between the ATA locals and the various school boards. I guess, just to sort of conclude on the negotiation side of it, I believe that teachers teach because of their passion for education. There are a number of young teachers in this province that could tomorrow leave the profession and probably earn twice as much money working on the oil rigs, and we're never going to be able to compete with that. That's just a reality.

I believe that our wage grid for our teachers is extremely competitive. It's among the best in Canada. I want to look at it positively. I don't want to sort of start on the doom and gloom and say that there's trouble on the horizon. I believe that overall we'll see some significant progress in that area. I've mentioned on a couple of occasions that we have had in recent months settlements that were retroactive in two or three school districts that were in the range of 3 per cent. Inflation last year was no different than inflation is going to be this year. So if there's a willingness there to sit down and work it out, I do believe that is possible.

I think that that probably covers the majority of those issues.

Maybe one more quick thing. I think it's important to put on the record that while the base grant increased by 3 per cent, we did increase our class size initiative funding in this budget by 21 per cent. Student health initiatives went up by 6 per cent. Our current cost of the teachers' pension plan is 7.4 per cent. So we really have to take everything in consideration and use the 5 and a half per cent as more of a guideline as to what school boards will be receiving versus the 3 per cent operating grant.

I think with that, I'll sit down and respond to any other questions.

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

Mr. Eggen: Thanks, Mr. Chair, and thanks to the minister as well for his frank assessments. You know, there are a number of problems associated with what the minister is setting up here. I've raised these before in some small way, but I would like to perhaps speak to it in more detail, right? First is the overall accumulated surplus for school boards across the province of Alberta. My understanding is that there's about \$200 million, \$220 million, something like that, out there if you add it all up. However, because I was very curious about this, I actually looked into this and even consulted my colleague from Edmonton-Beverly-Clareview, who has extensive knowledge of this issue. You know, what happens is that this is a calculation of all of the funds that school boards have put in place to ensure long-term funding of their operations.

4:30

The example I used yesterday, I think, was with buses, right? A school board will purchase their school buses but also buy into a fund that will allow for a replacement of those buses in eight to 10 years or however long a bus lasts. That's a calculation, the \$200 million or \$220 million, that includes those types of expenditures or types of investments, we could say, by the school boards.

You know, using that as an accrued investment that school boards have made and then somehow applying it back to an annual cost which school boards have in their teachers' salaries I don't think is a very fair comparison. In fact, it's a little bit dangerous because, of course, some school boards, the big ones, don't have a lot of that surplus there anyway. If you took all of that surplus and applied it,

say, to salaries or to the operation of schools across the province, then it would only last a couple of weeks anyway, right? So I don't think it's fair to look at that number and say that that money is there as a way to bail us out because we're in a situation where, as the minister very aptly pointed out, the overall increase in our population of students from K to 12 is not increasing to keep pace with the population.

What is increasing is the demand for schools in certain geographic locations coupled with a dire need to invest in the crumbling infrastructures that we've sort of been putting off over a long period of time. You know, I can think of so many schools across the city here and in Calgary, say, that are just crying out for significant investment. By putting that off for so long now, we've come back to having to pay the piper on those buildings. While the overall enrolment might be only increasing by 1 per cent across the province, the need to reconstitute our system is significant. It's historically significant here in the province now. So my question is: what are we going to do about it?

I know that the minister has been talking about P3s as a way to save the day. To what degree is he willing to invest in private partnerships with businesses to build schools in areas that require them or to refurbish schools that require extensive refurbishment? You know, where's the plan on that? We would like to see that because, of course, we have very serious reservations about public/private partnership arrangements to provide public services. We would like to certainly see the details so that we can provide the constructive criticism that would be undoubtedly required in regard to that idea.

The issue, as well, that we just were speaking about from the beginning is about this idea of negotiations and where we can go with it. Certainly, as the minister might know, I was a teacher and consider myself to be one still in some degree. It's certainly true what the minister says about the goodwill that teachers bring to the profession. It's a choice that they make. But my suggestion and constructive assistance for you in your planning is: don't rely on that goodwill too much. You know, you can put a certain price on it, but don't overestimate how much it's worth because at a certain point that starts to fall apart.

What I'm starting to see is that the new generation of teachers is much more practical, I would say, in this regard in looking at less of a sacrifice to the future education of our young people and not being willing to be taken advantage of by that. I think that's not such a bad attitude to have, quite frankly, because, of course, these are professionals that require a lot of postsecondary university training. They've invested a lot, and they want to get on with their lives too. So to rely on the goodwill of teachers, especially when they're facing large inflationary pressures on their own personal budgets, I think is a little bit tricky, certainly.

As well, I just wanted to speak on that and how it plays into teacher retention and building the profession up over time because, of course, the quality individuals that make the schools function – you have to invest in those individuals, both administrators and teachers, and support staff, over time to come to create that critical mass of a good public education system. I mean, let's not forget – and state it clearly now – that we do have quite a good public education system here in the province of Alberta. It's something that we are invested to keep and to improve upon over time. That's an important thing to remind ourselves of here.

You know, the individuals who run the schools and teach in them and the support staff who make the world go around with education – if we are somehow compromising the affordability of the profession, if people can make that choice and know that they can have a livelihood to raise a family and make a career out of teaching, if we're somehow compromising that with unstable funding or what

have you, then we end up in the less than advantageous position. We don't have to look far to see where public school systems have kind of crumbled and fallen apart. Believe me, we don't want to go there.

I would like to ask the minister as well about high school completion rates. This is an issue that is very much close to my heart because, you know, the system that we have available is a good high school system, but we seem to be losing a good portion of students from year to year. Students not completing within the three years is somewhere around 30 per cent in the province. I find that to be very unacceptable. Certainly, students come back over time to finish, perhaps over a five-year or a six-year period, but you lose a lot of those people. There's a critical time when you can educate someone and move them on to higher learning. I would like the minister to perhaps make some comment on the success of targeting funds to increase our high school completion rates. Our high school completion rates are not comparable to the rest of the country, and I think that we need to find out why and perhaps target monies directly to that problem.

As well, I just wanted to make some comment on private school funding. It's interesting, I found, from page 95 of the budget, that private accredited schools is one area where the budget actually went up in this year's K to 12 budget, which is nice to see some exception to a trend. In '06-07 the government spent \$135 million. In this budget, this year, the budget goes up by 6.5 per cent – there you go; that's a nice number reminding us of inflation – to \$144 million, including \$39 million for the school boards' administration funding. This is a greater percentage increase than, of course, what the public schools received. I would like to know why that might be so, to seek some illumination on that.

It is our position as New Democrats that we should be limiting the public monies that we spend on institutions that charge students because we lose some degree of accountability there. You know, you are creating some social stratification there as well because, of course, private schools can augment and supplement people's education in various ways and decrease student-teacher ratios far in excess of what we probably can do publicly. That's another question that I have too.

Thank you.

4:40

Mr. Liepert: Well, Mr. Chairman, the member alluded to a few comments off the top relative to the accumulated surpluses of school boards. Let me just make sure that it is clear that the accumulated operating surplus for the Calgary Catholic school board in '05-06 was \$9.5 million, which was a 14 per cent increase from the year previous. Calgary public is at \$18.2 million, which is a 52 per cent increase from the previous year. Edmonton public – and the hon. Member for Edmonton-Beverly-Clareview would be interested to hear this – went from an accumulated operating deficit of \$1.7 million to a surplus of \$5.6 million, or an increase of 429 per cent. So to say that the large city school boards don't have operating accumulated surpluses is not correct. I don't believe that the taxpayers of Alberta are prepared to say: we will increase our education budget significantly so that school boards can continue to build up surpluses.

I think the member also mentioned that these accumulated surpluses are there for such things as replacing buses and that sort of thing. I think we have to start to ask the question: what business are school boards in? Are they in the school bus business? Are they in the carpentry business? It goes on and on and on. I think it's about time that school boards took a step back, did a cost analysis to say: "You know what? It might be cost efficient for us to start to lease

school buses, or it might be cost efficient for us to contract out the busing services for school buses.”

It seems to me that unless we start to really take a look at how we operate our school systems, our school divisions, we’re never going to become more efficient and more effective if we always continue to do everything the same way we did it last year and the year before and going all the way back to the ’30s. So I think it’s time for some creativity, and I believe we have the people in place to do that.

[Mr. Cao in the chair]

Now, the hon. member referenced our crumbling infrastructure. There’s no question that we have a backlog of maintenance that, frankly, I wish we didn’t have. It’s there. We’ll have to deal with it. We simply do not have the money right now in terms of fixing it all at once. We made tremendous progress last year with the \$200 million in maintenance renewal funding. The city of Calgary alone repaired something like 49 roofs of schools.

I do hear, however, that with the \$200 million we gave to school boards last year for infrastructure maintenance, in some cases there was a real challenge to actually commit that money, a shortage of personnel to work, and just, frankly, spending all that money in one budget year. We’re going to sort of assess where we are on the \$96 million. We’ll talk to school boards as we work through the year and see whether that funding is where it needs to be or if it needs to be adjusted somewhere down the line. That’s work in progress, but there’s no question that it’s an issue.

Now, the member raised the issue of P3s. We have a philosophical difference around who should own every building in town. We don’t happen to agree that the government should own every building in town. I think one of the real values you can get through an arrangement with a public/private partnership is that you can actually get a long-term commitment that would build in the maintenance costs, and we wouldn’t be faced with this crumbling infrastructure as the member refers to.

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The member made a statement that I’m going to take exception with. He said that we have quite a good education system in Alberta. Well, I’d like to say that we have an outstanding education system in Alberta, and I think he should be saying that we have an outstanding system. I could relate a litany of evidence to that effect, but I really think we need to start talking about our outstanding education system in Alberta.

He talked a bit about teachers and teachers’ salaries and are we competitive. Are we competitive with some of that external world out there? I don’t think we are, and we’re probably never going to be, but I don’t believe that we can have our – and I’ll use this term in a general sense – public servants, if I might. It doesn’t matter if it’s my deputy minister or if it’s a schoolteacher or a health care worker, we are not going to be competing with some of the external world out there relative to this province.

For instance, just a couple of weeks ago I met a couple who were teachers in Saskatchewan. I remind the hon. members of the philosophical views of the government of Saskatchewan. This couple actually moved to Alberta because we paid and treated our teachers much better than they did in the neighbouring province of Saskatchewan. So I would ask the hon. member to do a bit of a comparison on our teachers’ salary grid compared to . . .

Mr. Martin: I know two that just went to Saskatchewan.

Mr. Liepert: Well, there may be other reasons for it, but that wasn’t for pay reasons, hon. member.

Some discussion around the high school completion rate. I absolutely agree with the member: our numbers are not acceptable.

In fact, what I would say is even more concerning is that we measure those who enter grade 10 and those who graduate – and we’re in the 70-some per cent range right now – but what we don’t measure is those who actually never make it to grade 10. We have some real issues in the Métis and aboriginal communities. There are some issues around some of our newer Canadians that never make it to grade 10. They don’t even count in those statistics, so we have a lot of work to do there.

I don’t believe that money is going to solve the problem here. We did some good work last year with the high school completion symposium. What we really found out in that review and talking to students was that, you know, it’s the experience in school that keeps them there or makes them drop out of high school. So what we need to do is a better job of creating an environment in school, whether it’s career pathing, whether it’s ensuring that every student feels safe in the environment at school. We need to do a better job in that area, and I think our high school completion rate will continue to move upward.

I think another thing that could really help a lot is we need to involve all Albertans in the education system. We need to encourage more mentorship within the school system. There are many students who really would benefit by having an outside mentor that could help guide that student not only through school but after school years. Those are all things we’ll be working on.

Just one quick note around private school funding. The hon. member needs to ensure that he doesn’t distort the facts around private school funding. The only reason the increase in private school funding is 6.5 per cent is because this year for the first time we put an injection into private schools for ESL, English as a Second Language. We have to recognize that there are a number of private schools in this province – all private schools aren’t a bunch of rich kids, so let’s make sure that’s clear – that are ethnic based or are religion based around certain ethnic groups, and it is unfair for them not to be receiving English as Second Language funds. Obviously, if a particular private school doesn’t have English as a Second Language students, they don’t get the funding.

So just to be clear, private schools receive 60 per cent of the base operating grant, and this is the only additional money they receive. They receive the various programs like AISI and others, but there is no transportation funding; there is no operation and maintenance funding; there is no capital funding. I want to make sure that the impression isn’t left that somehow we were giving private schools a greater increase in funding than we were public schools. On the ESL side of it, which increased the percentage, we are only bringing them up to what we do in the public school system.

[Mr. Shariff in the chair]

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

Mr. Martin: Thank you very much, Mr. Chairman. I have a few comments I’d like to make, and there are a number of places to go. I would say to the minister, though – and I don’t want to spend a great deal of time on this – that the Edmonton public didn’t have a surplus for a long time. The surpluses were in the rural areas. My guess – you probably know better than me now – is that that budget would be \$700 million. If they’ve got a \$5 million surplus, that’s not a great deal. Now, what they’re using it for, I don’t know, but let’s keep that in perspective, that that’s not a lot of money in that sort of budget.

4:50

Friendly advice to the minister because I think we have the

potential of being back to where we were when I was a trustee in Edmonton public, when we ran into, you know, the situation with the strikes which started in Edmonton public and spread to Calgary public. Eventually the government had to get in. We went through arbitration. I'm sure the minister's well aware of it even though he wasn't here. I wasn't here, but I was very much a part of it as an Edmonton public trustee. These issues are difficult. Admittedly the minister does not have an easy job because we have an overheated economy, inflation is running high, pressures on salaries. It's not only teachers; it's all the other people. Roughly 80 per cent of the budgets have to do with staffing, you know, when you're dealing with public education.

But I want to say that there's no point in picking a fight right now with anybody: the school boards, the ATA, or anybody. Nobody wins in this situation. We went through this when the minister at the time, now the Finance minister, took the hard road on it and said: this is the way; it's my way or the highway. I was there. That's very much the impression that came back, and nobody won in that. Certainly, the government didn't win, and it created a lot of friction that was unnecessary. It's going to be difficult enough, you know, with the number of contracts that are coming forward now. So for a person I've known for a long time, that's some friendly advice. It's just not going to help anybody because everybody will get their backs up, and there's enough power on both sides that nobody wins. So I would really suggest that we have to try to improve the tone because the negotiations are going to be difficult as it is.

I want to though go to something that's very close to my mind. The minister talked about it. It has to do with the schools being in the wrong places. I think there are a couple of things that I'd like to suggest. I don't know if the minister has looked at it, but it was a discussion that we held with the previous Education minister about how we deal with school closures and how we look at schools generally. You know, there is nothing worse than going through a school closure process. I've been there as a trustee, and I was there as an MLA. It's a very emotional time. There's a community involved, and it's a difficult process.

Now, I'm aware that sometimes schools can eventually close themselves, you know, because enrolment keeps going down. But I think there's a process that we have to look at differently. Number one, I think the ministries have to work together. If there's something worthwhile that's happening in the school – I don't care if it's a seniors' group or if it's a daycare or whatever – we look at the school as a community centre, and we try to keep that going. As the economy grows, we can't begin to build enough new schools out in the new suburbs. Maybe we should be encouraging people to move back into the core group of the city. I think we're going to have to do that. History tells us that we have to do this. There's a chance, then, that people will move in with younger kids.

But I think that if we can keep the schools together – we have examples of this in some schools where we do have those groups there. If that would count on the utilization, as long as that school's active and it's participating with the community and it's a community-based school, it seems to me that that makes sense for everybody. There could be money not just from Education but from other departments that are involved in the school. I really think that we should take a good long look at that. We've made some strides in that direction. I know that. But I think we have to go all the way with it.

With the school closure process it is so divisive the way it is done now, you know, through the School Act. All of a sudden you get an announcement that the school could close. Then we have – I was there as a trustee – these phony public hearings. Everybody knows that they probably made a decision on them, and there's just rancour, and then all of a sudden the schools close down the way. The

pressure has always been on schools in the inner city to move. I'll come back to the minister's comments. If we build the schools in the right places – gee, if we close them down here, we're going to get new schools out in the suburbs. Well, it hasn't happened in many cases because we just don't have enough money to build all the schools that we would need.

As I've mentioned, in Ontario – and I wish we'd take a look at this – they say in the school act that you cannot use that as an excuse to get new schools, closing down the school. There have to be different criteria. They do it for a longer period of time. I was more up on this a year ago.

I really think that those two things would go some way in doing what the minister was talking about, trying to put, you know, the school where it's needed. If they were community centres and there were other useful things there, that certainly would be a use to keep that school going. I think it would be beneficial to the community, beneficial to the taxpayers. It doesn't matter whether it's the Minister of Education or the minister of health or the ministry of community development. It's all the same taxpayers; I think the minister would agree. There are things I think that we can do in that area to make the process better.

I'm sure we'll have time to talk about P3s. I will come back to that, but I wouldn't have enough time to go on about it now.

I just want to talk about the dropout rate. Some of the work that we were doing – and I know it's happening in other places in Edmonton public with the emphasis on full-day kindergarten, some of the high-needs areas, and some of the extra help that we are giving. Hopefully, that will be the biggest thing that we can do. The big impact is K to 3. Of course, you won't see if that's going to impact the dropout rate till much later.

You know, the biggest single indicator – and I think the deputy minister would probably agree – you can almost predict at grade 9. If a student comes into grade 10 and they're one year behind in their reading level, the odds are that they're going to be a dropout. There are some answers to that, I think, that wouldn't require a lot of money. But that's the fact as I understand it. If you're one year behind in your reading level, the odds are pretty good.

So somewhere in junior high or elementary we need some extra help in remedial reading because if you can't read well enough, then that's going to be the impact. I think we could take a very good look at that sort of area. That's not going to solve all the problems, but I think that with some remedial reading it might not take a lot of extra money to do that. I think you would have a major impact, at least from the studies I've seen in terms of the dropout rate, if you could do it as quickly as you can in elementary level or junior high.

Now, the reading recovery programs in elementary were very successful, especially in the high-needs areas. They're very expensive, but they may be a good investment over the long haul. I don't know – as I say, I've been away from being a trustee for a while – how many of those programs are still going, but the work that they were doing there at the elementary level was very significant. Even in junior high some remedial programs may be necessary, especially if we can predict the kids that are a little bit behind in their reading. If we're doing some work there, I think that that could have a major impact. I'd like the minister to comment on that. If he's not aware of the reading recovery program, I don't expect people to know everything overnight.

Thank you.

Mr. Liepert: Well, as the hon. member mentioned, we have known each other for a long time, so I accept some of his fatherly advice. But I also throw back a couple of comments. You know, it's been said before about picking a fight, improving the tone. I'd like him to be more specific about it. I'm not picking a fight with anybody.

We have some serious issues in this province relative to where we go with expenditures, and I think we have to start to become more creative in how we meet the public demands.

5:00

I know that it's very easy to sit there and say: spend more money. I understand the philosophical difference we have between fiscal responsibility on this side of the House and less than fiscal responsibility, I would suggest, on the other side. But this isn't about picking a fight. This is about making some tough decisions over the next few years because we are going to hit a wall here pretty quickly, and it might be as quickly as this year if some of the economic indicators that are out there right now continue. So there is no improving the tone; there is no picking a fight. It's laying out some of the realities that exist out there and trying to solve some of the problems.

Now, the member talked a lot about school closures and schools in the wrong places. I guess that one of the comments that he used was, and I quote: there is nothing worse than closing a school. Well, my learned friend I have to disagree with. Yes, closing schools are difficult choices, but we have to make those tough decisions once in a while in life. I can think of a whole bunch of things that are a whole lot worse than having to close a school. In many of these neighbourhoods where they're closing a school, you simply have several schools in an area. If one school is closed, it is not the inconvenience for those children in the larger communities that exist today in a lot of these newer subdivisions where children are riding the bus for an hour to get to school.

I come back to what I've said on many occasions. I was disappointed to hear the hon. member use the term "phony public hearings." Hon. member, you're degrading what you used to do as a public school trustee. Let me give you an example in Edmonton this year. Those phony public hearings resulted in one school not being closed; am I not correct? They were proposing to close four schools in Edmonton, and they had these phony public hearings and then chose not to close one school. I think the hon. member might want to consider whether or not he's using language that frankly does a disservice to the good work that our school districts and trustees do.

Good comments around the dropout rate. I would take his advice relative to remedial reading. I would like to say to the hon. member that I believe the dropout rate starts way lower than grade 9. I think that in elementary school on many occasions there would probably be a trend that you could see in grade 3 to grade 6 with your dropout rate. You could probably identify a pretty high number of students that might be dropping out. We have made a commitment this year financially in the budget relative to putting more money into early learning initiatives to identify some of those children who have early learning difficulties, to work with them to get them to the level at grade 1 where they can be on par with children who don't have any learning difficulties.

Just to flip back to the community schools concept: the member makes good points around the importance of a school to a community, whether it is turned into a daycare or it's turned into a seniors' centre or whatever it might be, but I would have to say that I don't believe that the member can lay that responsibility on the provincial government or the Minister of Education. I think that's a community decision, and somebody has got to pay for those facilities. School boards have budgets they have to work in. They have to run a new school over here; they choose to close a school at this location. It's a transfer of funds.

I guess we could say that going forward, there will be never be another school closed in Alberta. We could probably accomplish that with about a 10 per cent budget increase, but, again, it comes

back to a philosophical difference of whether you are fiscally responsible or not. I take great pride in the fact that I believe this government is fiscally responsible.

The Deputy Chair: The hon. member for Edmonton-Beverly-Clareview.

Mr. Martin: Thank you very much, Mr. Chairman. Yeah, there are some philosophical differences, no doubt. I prefer, if we're using language, to look at public education – we all have to live within budgets; we all understand that – as investment. The minister talks about it always as an expense, and I think that's the difference. A good public education system, hopefully, is investment.

Beyond that philosophical difference I wanted to come back to a couple of things about the school closures. Mr. Minister, you might not like the term I used, but I will repeat it. It wasn't the school boards because I'll tell you what happened, at least when I was there. There was a memo that was quoted in here where the minister was virtually telling the boards that you had to close schools down if you were going to get new schools.

Mr. Liepert: That's baloney.

Mr. Martin: No. There was a memo. I'll bring it to the minister. Not this minister, not you as the minister, but it was brought forward – and I think we put it here in the Legislature – strongly suggesting that.

That was certainly the feeling that I had as a public school trustee, that we had to close schools down if we were to get new ones. That was fairly common knowledge at the particular time. That's the point I'm saying. If we could change the consultation and make it longer, it would be more meaningful. The parents felt that they weren't being listened to and the communities, as I went through some of them both as a trustee and another one.

Mr. Minister, I said this very clearly, that sometimes a school will close itself down. It's just inevitable, but that should be the last step rather than the first step. That's why in Ontario they have said right in their school act that you cannot use that reason to get new schools. That's what I'm suggesting that we do here. Then the consultation would be much more meaningful in that regard.

Now, I do believe the previous minister, from Edmonton-Mill Creek, was trying to move away from that approach, but it was never written down or officially endorsed that I'm aware of that there have been changes. Again, I'm trying, whether it's fatherly or not, maybe brotherly advice to the minister to take a look at that whole process. That's all I'm suggesting. Then the process will be, I think, meaningful.

I can't speak for the rest of the province. Fair enough. But the ones that I went through both as a trustee and that, people felt that they weren't listened to. They thought the process of one public meeting was just pro forma. We do it, and then they do whatever they want.

Now, I want to just talk about the community school again. I agree with you. All this money can't come out of public education. The city centre project in Edmonton public when we there, what they did is health. They had a nurse working in the school, and they had social workers there. They came out of those departments. But it was really hard to get the bureaucracies together.

So, yes, the community has some responsibility, but I think there has to be some responsibility cross-ministry here, that they see the schools as a community centre and that money not just flow from out of education tax dollars but from other sources, wherever the source of the program occurs. Maybe it's Children's Services. Maybe they can donate as they were in some of the city centre

projects, Mr. Chairman. I agree with the minister that it shouldn't be just education dollars. That's my whole point about the community centre.

Just to come back to the other about the school dropout rate. Yes, absolutely, it's a cumulative effect. The only point I was saying is that in the studies I've seen on that cumulative effect, by grade 9 if you're a year behind – and I forget the actual percentages – then the majority of kids will not make it at that level, so it didn't just happen in grade 9.

I'm hopeful that some of the things that are occurring now in K to 12 – and the minister talked about the initiative, extra money going in those areas, that I think that will have an impact. Again, Mr. Chairman, we're not going to see the results of that for, you know, another, well, I guess, eight years. I'm trying to think of when the initiative occurred. There are some exciting things going on in the high-needs schools. As I say, full-day kindergarten, reading recovery, extra help with some of the social workers being involved there at the school, health, all those sorts of things working together. I think there are some very good projects going on. Hopefully, that will have an impact.

5:10

The point I was trying to make about grade 9 is that if we can predict it, it is a cumulative effect. If we can do something even in junior high with the remedials – and I don't think it would take a lot of extra money or some reading recovery programs – I think that might have a major impact. I think it would be worth looking at.

Mr. Chairman, I want to stress to the minister that I understand that there are limited dollars; I understand that there are priorities; I understand all this. I've been around, you know, a fair length of time. I had to make those decisions. It's not just because we're over there that there's a budget worry. But you're right. If it's priorities, if we have to move here, it's like I say: governments collect taxes. The question we ask is: are they collecting them fairly from everybody? Government then spends, and the question we then ask is: are the priorities straight?

Of course, that's what the budget debate is all about. I think that there are things that we can do that can have a big impact without a lot of extra dollars. Sometimes it does take dollars. We know that. You know, we have a public education system that costs a lot of money. A health care system costs a lot of money. It's well worth it, but there are things within that system I'm convinced – and maybe the minister and I agree on this – that we can do differently, that can sometimes make it better, that don't require a lot of dollars. That's, I guess, all our jobs: to try to figure that out.

Mr. Chairman, there are a lot of other areas. It's a broad department. I would certainly allow the minister to comment on what I've said, and we'll move on from there.

Thank you.

Mr. Liepert: Well, I just want to make it clear that I feel very strongly that school closure decisions belong at the school board level. We as a department take in utilization as one factor only in terms of building new schools. There are a whole bunch of factors that go into it. I can't comment on previous ministers, but there will be no directive from this minister to any school board saying: you must close down a school before you get another school. That is not going to be happening.

Relative to the public hearing process I believe the hon. member has advocated in the past for a longer period of time for the consultation. Well, currently it's 12 months, which is a year. I think the most difficult part of the school closure is that public consultation time because that's when it becomes the most heated. That's when you have your public hearings. To extend that to 18 months or 24

months just doesn't make sense to me. If you can't make a decision in 12 months, then there's something wrong with the process.

Mr. Martin: It's within the school year. It's not 12 months.

Mr. Liepert: Well, I'm of the understanding that it's 12 months, so we'll have to debate that and clarify that. I believe it's a 12-month notification. Even if it's within the school year, let's assume the school board decides to close the school – well, I mean, I think that I will check on that. I do believe that the longer that you have it drawn out, the more difficult it becomes, and probably the dragging out of it won't change any decisions. I think that if you have meaningful public hearings, school boards have the ability to take the input, and I believe our process actually works pretty well with respect to that.

I take the member's comments around remedial reading, and I think he makes some excellent suggestions. It needs to be part of the whole student assessment that's in place. We'll take that under advisement and carry on with the discussion.

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

Mr. Eggen: Thanks, Mr. Chair. Further to that, then, we were just talking about remedial reading and focusing on students that we can see that could potentially not complete high school. I would venture to say that the real investment that you can make is in those very first years, when a child is educable, and I mean in a school setting.

In my estimation – and I think a growing majority of people would concur with this – what we need to offer as choice for parents is to have a full-day kindergarten program and a junior years kindergarten program. This is where you make the necessary foundation for students to succeed, especially students that could potentially be at risk for whatever socioeconomic reason or otherwise, right? The full-year kindergarten program and junior years kindergarten program: interestingly enough, countries that have those two programs functioning as a choice are countries that you will see doing the very best in terms of education retention and a lower crime rate and the whole range of socioeconomic things that are there.

I know that once again we're bumping up against some ideological differences that perhaps the minister and myself and the New Democrats have, but what I'm saying, using your language, quite frankly, is: give the people the choice to have full-day kindergarten and junior years kindergarten and see what happens. What you will find, Mr. Chair, is that the modern industrial work situation that we have in this province, combined with the high cost of living and whatever – there's a whole list of 21st century things that are going on – requires or has people making the choice to have both parents working, right? So that's the number one practical consideration.

Number two, we have a much more sophisticated work environment where we're looking for students that are not just intelligent and capable but also have the aptitude to learn. My suggestion is that junior years kindergarten and full-day kindergarten as choices that parents can have would seek to solve our high school completion rate better than any other single thing that we could do, and we'd get lots of other benefits to boot. This is something that we've been pushing for for years. I know that eventually we'll come around to it. I think that if we could lay down the tracks to do so now, the sooner we will get on with the benefits of having this as a program.

Certainly, Head Start programs are an indication of how successful this kind of thing can be. Head Start programs in different places, where there is perceived to be a potential problem, really do make a huge difference. What I always thought of as a teacher and

as a parent is that whatever good program you come up with, what's wrong with being able to use that in the broadest possible way for students in situations that seem to be in a similar type of need, like the city centre project that Edmonton public had instituted around the downtown Edmonton? There are so many places that aren't physically in the city centre that are just crying out for that kind of program. The potential there, at the very earliest level, I'm saying – pedagogically it makes sense, socioeconomically it makes sense, and ultimately it's an investment. It's value for your money because you get such a great benefit from having a student that is not just completing high school but is successful coming through our public education system.

5:20

You know, that kind of leads me somewhat tangentially but not entirely to another set of programs that I would like to see expanded that I know would increase the quality of learning and a whole range of other things, and that is offering school lunch programs. When I look around the world, I see that in the United States and Europe and in Asian countries and South American countries the overwhelming majority of schools offer some kind of lunch and nutrition program. I know that the particular historical circumstances here in the province have made it less common in Alberta, but certainly children are the same. Physiologically they're the same, and their learning needs are the same.

One of the things that I noticed over time as a teacher was that, you know, for students that had problems concentrating in school and coming to school and perhaps working with the material – so often there was a range of things that were getting in their way, not the least of which was the fact that they didn't come to school eating properly – right? – having either breakfast or taking a lunch with them or whatever. It's part of a larger process of what public schools serve to function when they're at their best. It's not just to learn your times tables and your alphabet but to enter into a positive relationship with public institutions in the broadest possible way.

We often scratch our heads and wonder out loud why young people will go out and vandalize things and have a negative attitude towards society and all of this kind of thing. Part of the way by which we can mitigate that is to have a positive relationship with public institutions at the very youngest level. A school lunch program, quite frankly, is one of those things where you know that you're going to be looked after, you know that you're going to not go to school hungry, you know that a child is going to get not just intellectual enrichment but some physical enrichment as well. The cost and the value are not even comparable, right? For the cost of the few cents that it takes to provide some nutrition at a school level, the value is immeasurably much higher.

I have a specific problem here with the budgeting. I learned recently that Alberta Education is no longer going to fund the construction of cafeterias. I learned that from the Victoria school plans, which change on a regular basis, it seems like, for a number of reasons. You know, there's not even any provision. Alberta Education says that they're not going to fund school cafeteria construction anymore, period. I find that indicative of the opposite direction that I think our school system should go towards generally, and then specifically, you know, this is an example of it. We have lots of these older schools with cafeterias in place, and somehow that all was the first thing to get axed. You put those cafeterias back into action, and you create, again, this much more positive atmosphere where kids learn about nutrition. Perhaps this child obesity thing could be somehow mitigated with a school lunch program as well. There's a whole range of possibilities there.

I'd like to speak very briefly about the unfunded liability question and the task force that we've seen almost put together. As I said this

afternoon, there's one important part of that that's missing, and that's the teachers. The teachers – and I take their arguments as being logical – say that they're ready to go ahead and start negotiating on this instead of having a delay.

You know, there's a practical thing, Mr. Chair. Here we are at the end of May, so during May, June, July, August we have a chance to sort out this problem during this four-month window without having to jeopardize or compromise or call into some question the fall and winter sessions of school. On a practical level this is just a great time to get this pension thing sorted out. Certainly, we're not advocating that the government just writes a big, giant cheque. I mean, that's ridiculous. But there's got to be a way to do it and a time to do it. I'm saying that the time is now. My suggestion, very helpful and in the most positive way possible and with the utmost respect, I would say, is let's scrap the task force thing and move on and start some direct negotiations.

The other thing that I would like to speak about specifically in the budget. As my colleague from Edmonton-Beverly-Clareview mentioned, I think part of the issue is looking at older schools and the value of older schools over time. It's important because as we create different urban environments, we're creating density, so where there might be less students around for a while, certainly the plan is to have more students there in the future. When we're looking at the long-term picture, I think that we have to change the utilization formula.

Thanks.

Mr. Liepert: Well, Mr. Chairman, I mentioned at the outset of the remarks today that there's an obvious philosophical disagreement between the opposition New Democrats and this government, and we're probably not going to solve that today. I think it is very interesting.

You know, it's probably a good thing that this budget debate only lasts an hour and a half. I'm sort of tallying up as we're going here, and if we were to implement what our friends in the New Democratic opposition would like us to implement, we've now added a billion dollars onto the budget. It's about a billion dollars. So if this went for another couple of hours, we'd probably be up to another \$3 billion or \$4 billion.

As I said at the very outset, we have a party over there that believes you can spend your way out of any problem that exists, and we have a party over here that happens to be in government that is fiscally responsible, so we have this philosophical difference. The member trots out a whole bunch of comments that there is no data that backs up what he says. In fact, he talks about countries in the world that have full-day kindergarten that have better results than we do. Well, we have the best results in the world, so how can we attach those two? It doesn't make any sense at all.

Then he goes into the school lunch program. Well, we have 48 of 62 school boards who provide some sort of school lunch program for children in need. We have a number of programs around the province for kindergarten and junior kindergarten for children in need. What we try to do on this side of the House is direct dollars to areas of need rather than this blanket coverage, you know, cradle-to-grave coverage for everything that exists out there: we're going to feed every child in Alberta; we're going to pay for their junior kindergarten and kindergarten. Let me tell you what junior kindergarten and kindergarten would cost us: \$375 million a year. Province-wide school lunch program: \$354 million. So now we're already up to almost a billion dollars. Again, it comes back to a philosophical difference.

I just wanted to make one quick comment. The member raised the issue around Victoria school, that the province somehow won't pay for a cafeteria. Well, we have a situation where the Edmonton

public school board would like to replace Victoria school, and what they're attempting to do is get within a reasonable budget to replace the school, and one of the decisions that was made, through the downsizing to try and fit the budget, was not to include the cafeteria. So for him to say that somehow the province says that we won't fund the cafeteria is just absolutely false.

I'd like to conclude my comments around the unfunded pension liability. The hon. member says, like many on that side of the Legislature have said: let's just sit down and negotiate. But I have not heard one suggestion as to what these members would ask the Alberta Teachers' Association to give up in exchange for the \$2 billion liability that the Alberta Teachers' Association is asking the taxpayers of Alberta to assume. So where do you start negotiating? I don't have the answer to that, and that's why I'm not going headlong into negotiations without some basis to start those negotiations. We know what one side wants, but let's find out what's a fair return. Let's ask the people of Alberta, interested stakeholders, what they think we should be asking the Teachers' Association to give up in return for the \$2 billion liability. I think that's fair. I think it's fair to taxpayers, and I don't think it's unfair to teachers. In the interim those young teachers who had no part in creating this liability will have their 3 per cent picked up starting September 1. I don't know what's unfair about that.

5:30

This is an issue that's been kicking around for 30, 40, 50 years, and for us to take three to four to five months to figure out some reasonable options for it, somehow that's unreasonable? Well, I don't happen to buy that particular argument. So we can have this debate back and forth all day long, but I know that if I'm going into negotiations on anything, I want to make darn sure I know what I'm prepared to negotiate away. If the hon. member has a whole slug of suggestions about what the ATA is prepared to give up, then bring it on.

Mr. Martin: Where do we start? We should keep this going for a couple of hours, Mr. Chairman.

I just want to come back quickly to the school closure because it's been a big issue with me, one of the reasons I went into being a public school trustee to begin with. Talking about the length of time – I won't go through the other things – I would say that I'm glad to hear the minister say that that would not be a directive from him. I don't think it was from the previous one, but it certainly was there before. I would say: take a look at Ontario. They actually put it in the act. It's not up to the minister; it's part of the school act. I think that would be useful to look at.

The reason I asked for the longer period is because I've been there. It's during the school year, and I think the deputy would agree with that. The problem – and I've seen it happen – is that in November it goes out to the board, you know, and then it's going to be done by June. Even if it's a legitimate school closure, the feeling is that it was just sort of railroaded through quickly. That's the reason I say to start earlier.

I think Edmonton public is starting to look at this a little differently too. As a school board policy – you're right – they can do this, but I think it might be useful in the School Act. If they feel they've been consulted, and they have a year or two to take a look at it – everybody has great ideas after the school closure comes through of how they could have saved the school. If they've had that opportunity, I think the feeling is: "Well, okay. It has been a fair process. We just couldn't do it." I think that's why I would look at a longer period of time, and even though some of the school boards are doing it as part of the act, inevitably I heard when there was a school closure: "Well, if we'd only known, this is what we should have

been doing. We could have got kids in this way or that way." I'm just throwing that out, Mr. Chairman, you know, for consideration, again, in the School Act.

The other thing I want to broadly talk about is – is it AISI? I'm trying to remember the program. Is it AISI? Yeah. That's a very good program. The only thing I would suggest, though, is that when we find things that work – it's like so many. It's not just in education. It's like we have these pilot projects that seem to work pretty well, but there doesn't seem to be some sort of follow-up on how we can bring them in as part of the broader system. I think that's happened in some cases with AISI because then you have to reapply two or three times.

I'm not sure what the answer is, but I'm thinking of the things in the city centre education project which I was aware of. We found out that certain well-documented things worked, I think, but there didn't seem to be a way to expand that beyond sort of that narrow selection of schools. I guess I'm sort of suggesting maybe best practices or some sort of way that if something really works well, it can spread throughout, you know, the rest of the education system in the province of Alberta. We don't seem to have a way to be able to do that, I don't think, particularly effectively.

The other thing I would like the minister to comment on, because it's been a big issue across the province, is the whole problem with child obesity and the role of the school here. Now, I'm not expecting the minister to go out and, you know, hand-pick parents and the rest of it, but there are some initiatives. I know that Trustee Colburn tried to get a motion through at Edmonton public – it didn't go – to at least look at the foods we're serving in the schools. I'm wondering, just quickly, if there's any initiative coming from the Department of Education in this whole matter.

The other thing that I would like to allude to. I know something about Victoria school. It started off as a \$63 million project promise from this government even while I was there. Then it got scaled back. By the time they come together with another project, the costs have gone up, so you have to redo it. Where are we now with Victoria school? Is it finally going to move ahead? I mean, part of it burned down now, so maybe there's some emphasis. But that's been going on. Remember, they were promised \$63 million to begin with.

The unfunded liability. You know, we can say that all of a sudden because we're advocating different things – you're the tax savers, and we're the spenders. That rhetoric, you know, doesn't work well. We all have to live within budgets, and people do it wherever. [interjection] You asked the question. It wasn't a billion dollars. You don't know that. There were no figures. You said that you didn't have any figures yourself.

Mr. Liepert: Right here.

Mr. Martin: Yeah. You know, I could take some of things that you've said, twist them around and say, "Well, they're spending \$2 billion on things that they shouldn't." But that's the reality of what I'm saying. It doesn't work in terms of that rhetoric. It's old-time rhetoric.

The unfunded liability. I don't have an easy answer to this, but we know that it's a serious problem. Now, the problem that I would point out to the minister – and I can't answer for the ATA, nor can you. That's why you have to negotiate. There have been some agreements fairly recently. Correct me if I'm wrong, but I think Newfoundland just dealt with their unfunded liability in the last year or two. I don't know what they did. Maybe there's something that we can learn from that. I know about Newfoundland. I think it was about two years ago that they did. Didn't Manitoba just recently do some agreement on their unfunded liability? I know about New-

foundland for sure, but I think Manitoba. Maybe there's something there that we can look at as a beginning basis because the teachers there and the governments both accepted it. So there's a suggestion. Maybe we could take a look at what they did. It might be an opening. Who knows?

As I say, nobody's going to win on this as long as it keeps going because as the minister is well aware, the unfunded liability is going to get greater if we don't deal with it. I think that's the emphasis. Is there an easy way out? Probably not. Perhaps there is a way out if there's goodwill on both sides. That's the point that I'm making. But I don't know if there are things that would come forward from Manitoba and what they did and from Newfoundland to see if that could be a basis for opening. Who knows? Maybe.

Thank you.

Mr. Liepert: Mr. Chair, let me start backwards and move forward while it's fresh in my mind. Let me be clear. My intention is to work with the ATA to get this issue resolved. What is missing in this equation is not what the ATA wants; it's what is fair for Alberta taxpayers in order to assume the \$2 billion liability. That's what I don't have the answer to, and I don't think the ATA has the answer to that. Why would they? That's not their job.

My job is to represent the taxpayers of Alberta, so I want to ensure that we take a little bit of time. I'm not suggesting two, three, five years out. I'm saying a few months. Let's meet with interested stakeholders, whether it's school boards, whether it's the ATA, whether it is the taxpayers' association. You name it if you want to make a submission. I want a small group to not only do that but also look at Newfoundland and Manitoba and maybe Czechoslovakia, for all I know. I guess it's the Czech Republic now. There are other examples out there of what would work, and that's all I'm asking the task force to do.

I do know about Newfoundland in a rough sense. It was assumption of the teachers' portion of the liability for a set increase in wages over the next several years and labour peace. That's one option that the task force may recommend. There may be a whole bunch of better options for taxpayers.

5:40

Manitoba is a little different. Manitoba went out and borrowed money to pay down their own liability. But we're not talking here about our liabilities, the government of Alberta; we're talking about the teachers' liability, the teachers' portion of it.

I still maintain that over the course of the next few months this task force will be fair. It will look at all of the options. It will come back with some recommendations, which I will make public. Those will be the basis to go to the ATA and say: here are some options to negotiate on.

A couple of other quick things before we have to conclude. I very much take your suggestions around AISI. I think it is an excellent program, but like anything else we do, we should be assessing it to see whether it needs to be broadened, whether it needs to be integrated. We shouldn't just say that it's a great program, that we'll keep doing it the same way we've always done it. So I very much take your comments.

Around the school closures let me say this. It is not my intention in the near term to open up the School Act, but if we open up the School Act for a whole bunch of reasons, I would take the hon. member's suggestions around school closures as something we would consider at the time the School Act might be opened.

Finally, the issue around student obesity and health issues. That is a huge challenge for us. I think what we have implemented and tried to implement into the school system is the daily physical activity. That has been received in some quarters with grudging

acceptance. I think, though, that student obesity, nonstudent obesity is a much bigger problem than the education system. This is an issue that we all have to take responsibility for as individuals.

I should say that there was an interesting program in Black Gold. The Black Gold school division actually has something called a student obesity intervention program. If they feel that there is a student who has an issue around obesity, they will actually contact the parents. They will have a session with the parents, and they will work out a program that they feel would be best for the student. It's been incredibly successful. I want to take a look and see whether there are some opportunities. They've won international awards for it.

You know, I guess it just comes back at the end of the day to some of the comments that we made earlier. We have so many wonderful things going on in our education system, things that are happening at the local level like this particular program in Black Gold. I believe that all of us need to talk more about all of the great things that are going on in education and, frankly, quit spending 99.9 per cent of our time talking about whether this is funded properly or that's funded properly. So that's my objective over the next months and years or however long I am in this portfolio: to highlight and focus all of the terrific and tremendous things that are going on in education.

Thank you.

The Deputy Chair: Hon. members, we have about one minute left. Is there any other member who wishes to participate?

Very well. Then I will invite the official to leave the Assembly so the committee can rise and report progress.

Pursuant to Standing Order 59.02(9)(c) the Committee of Supply shall now rise and report progress.

[Mr. Shariff in the chair]

The Acting Speaker: The hon. Member for Calgary-Fort.

Mr. Cao: Thank you, Mr. Speaker. The Committee of Supply has had under consideration certain resolutions for the departments of Advanced Education and Technology and Education relating to the 2007-2008 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: Concur.

The Acting Speaker: So ordered.

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

Bill 26
Municipal Government Amendment Act, 2007

[Adjourned debate May 16: Mr. Danyluk]

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

Mr. Taylor: Thank you very much, Mr. Speaker. It is my pleasure to rise and join in second reading debate on Bill 26, the Municipal Government Amendment Act, 2007. This is a fairly straightforward bill, and our understanding of it is that it essentially does a couple of things. It gives the minister the ability to make guidelines concerning standards and procedures for the assessment of property.

Additional amendments involve the financial cost to municipalities concerning compensation claims related to the effects of public works projects. There are a couple of other little housekeeping things in there, too, that the minister spoke to when he kicked off second reading debate. That's on record in *Hansard*, and there is no disagreement from this side of the House on that.

Really, as far as we are concerned on this side of the House, there's very little about this bill that causes us concern; only one area, and that is around the amendments to section 322. I'm hoping that when it comes time for the minister to close debate, he can speak to this. The concern I have – and I will admit quite freely that I am not clear in my own mind as to whether I'm interpreting this right or not. I've had some correspondence from an individual by the name of Wayne Llewellyn, who I believe has corresponded with most members of this House, who has some concerns that the amendments to section 322, which have the effect of allowing the minister to set the standards and procedures for preparing assessments and valuation standards for property and so on and so forth and which brings the substance of regulation 246/2006, the minister's guidelines regulation, into the MGA itself, might somehow prevent an ordinary taxpayer from appealing his or her property tax assessment.

I think, if I'm interpreting this bill correctly, that the intention here is to in effect legitimize the guidelines so that no one can come along and launch a frivolous appeal of their assessment based on the notion that, well, they just didn't agree with the guidelines; they don't like the guidelines; the guidelines aren't valid. But I don't think – and I hope the minister will clarify this, and I hope he's going to agree with my interpretation because if he does, I don't think were going to have too much in the way of problems with this bill – that it says that the property taxpayer can't appeal the assessment. I sure hope it doesn't because, of course, market value assessment does things to people's property taxes that people in Edmonton and Calgary and many other municipalities around this province very much feel a need to be able to appeal.

There is much about market value assessment that is far from perfect. I believe that the current minister's predecessor once described market value assessment in words something along the lines of the least-worst way of assessing property values. I hope that over time we can find a better way of doing that because market value assessment, although it may be less worse than the other methods tried so far, is far from a perfect way of doing it. Until we come up with a better way of doing it or until, I think probably more importantly, we move municipalities, we move cities and towns off their total reliance on property taxes as their only self-generating sustainable form of revenue, we need very definitely to protect the property owner's right to appeal an assessment that the property owner feels is unjust.

That is our concern. I do hope that when the minister rises to close debate, he can provide an answer to that, and I await that answer with great interest.

Thank you.

5:50

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

Mr. Martin: Thank you very much, Mr. Speaker. I'm not going to go on long. It's my understanding – and I'd like the minister at some point to comment on this – that the provincial government is facing a lawsuit regarding its regulations and guidelines. Correct me if I'm wrong about this, but I'm just trying to get the information before we go into Committee of Supply. My understanding is that there's a lawsuit from the city of Calgary claiming that it pays a disproportionate amount of property tax since market value assessment of properties has risen faster than the regulated assessment of properties. In my understanding it's brought forward by sort of the administrative staff of the city of Calgary.

I'm wondering how this fits into what we're doing in the bill. Is this the reason we went back retroactively, I think to 1995? How would this impact it, if you like? I take it that this would take away that suit. I'm wondering if there's been some discussion with the groups and where all this sits. It seems unusual to bring forward a bill, you know, in the middle of a suit, but maybe there's a reason for it that I don't see at this particular time. I'm not asking for it to be done right here, but perhaps when the minister has time, he could allude to it. I'm wondering if the bill does affect the lawsuit and its potential outcome. Where all this fits is what I'm trying to figure out, Mr. Speaker.

The Acting Speaker: Any others?

The hon. minister to close the debate.

Mr. Danyluk: Thank you very much, Mr. Speaker. First of all, I can reassure the hon. member opposite that Bill 26 does not affect the right to appeal assessments, on the basis that they have been prepared correctly, of course, or that the legislation has been interpreted properly. So, yes, I confirm what you are saying. You have a very good, I would say, summary and synopsis of what the situation is.

If I can clarify very quickly, the minister's guidelines have been used since 1995 to assess regulated properties, and I stress regulated properties. It has nothing to do with market value. I understand some of the concerns you have, but it has nothing to do with market value. Some stakeholders, as the hon. member from the third party has mentioned, have raised the procedural issue as to whether the guidelines were properly established. That's where we are. The procedural issue was that the guidelines were not filed as regulations. Bill 26 confirms the use of the minister's guidelines and ensures the stability of the property assessment base. Mr. Speaker, it is confirming the power to authorize the use of these guidelines.

If you have questions, we'll look at *Hansard* to make sure that we have your exact questions answered, and I will do so. Okay?

Mr. Speaker, I would like to call the question.

[Motion carried; Bill 26 read a second time]

The Acting Speaker: The hon. Deputy Government House Leader.

Mr. Stevens: Yes. Thank you, Mr. Speaker. I move that we adjourn until 7 o'clock this evening, at which time we would reconvene in Committee of Supply.

[Motion carried; the Assembly adjourned at 5:55 p.m.]

