



Province of Alberta

The 27th Legislature
Second Session

Alberta Hansard

Wednesday, March 4, 2009

Issue 9

The Honourable Kenneth R. Kowalski, Speaker

Legislative Assembly of Alberta

The 27th Legislature

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Legislative Assembly of Alberta

1:30 p.m.

Wednesday, March 4, 2009

[The Speaker in the chair]

Prayers

The Speaker: Good afternoon and welcome.

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

Please be seated.

Introduction of Visitors

The Speaker: The hon. Deputy Premier.

Mr. Stevens: Thank you very much, Mr. Speaker. It's my pleasure to rise today and introduce to you and through you to members of this Assembly the consul general of India, Mr. Ashok Das. I had the privilege of hosting a lunch today in honour of the consul general's first visit to Alberta.

Alberta and India have a very strong connection, and we value very much that relationship. I think it would be appropriate to say that our Assembly has a strong relationship with India in that five of our 83 members are, indeed, of Indian heritage. We have a well-established trade relationship that goes back 25 years, and it's a significant one. In 2007 our two-way trade was valued at over \$300 million. We know that there's great potential for that to grow in the years ahead. Alberta and India also have a very strong friendship and a connection through our people. Over 72,000 people of Indian descent call Alberta home, including, as I've indicated, five members of this Assembly.

Mr. Speaker, Alberta appreciates our strong relationship with India as a key trading partner and as a friend. I would ask that the consul general now rise and receive the traditional warm welcome of this Assembly.

Introduction of Guests

The Speaker: The hon. Minister of Transportation.

Mr. Ouellette: Thank you, Mr. Speaker. I'd like to introduce to you and through you to all members of the Assembly a group of individuals from my constituency who are visiting the Legislature today. I think it is so important for these bright kids to visit the Legislature. As you know, they will all be tomorrow's leaders. We have with us today 23 students from Spruce View school, who are seated in the members' gallery, and they are accompanied by their teachers and parent helpers Ms Teri Patterson, Mr. Peter Wiersma, Mrs. Jeanne Rasmussen, Ms Sharon Johannsen, Mrs. Bonnie Schweer, Mrs. Shelley Newsham, Mrs. Gaylene Dolphin, Ms Shauna Wills, and Ms Bren Gairdner. I would like them all to stand and receive the warm welcome of the Assembly.

The Speaker: The hon. Minister of Service Alberta.

Mrs. Klimchuk: Thank you, Mr. Speaker. It's a pleasure today to rise and introduce to you and through you to this Assembly two classes from Holy Cross elementary and junior high school from the most vibrant constituency in the province, the constituency of Edmonton-Glenora. The students are here on a tour, and they've

been visiting the Legislature today. I would like to acknowledge the teachers and the parents who are here. We have Ms Brigitte Levasseur, Mr. Gilles Beaudoin, Ms Manuela Wagner, Ms Connie Versluys, and Ms Jadeene Wheaton. I hope you've enjoyed your experience today. I would encourage you to give a warm welcome to these future leaders.

Thank you.

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

Mr. Vandermeer: Thank you, Mr. Speaker. I'd like to introduce to you and through you to the members of this Assembly some wonderful children from Abbott elementary school. They are here with their teachers Mrs. Christian and Miss Rouault and also a parent helper with the same name, Mrs. Rouault. I believe they are in the members' gallery. I would ask them all to rise and receive the traditional warm welcome of this Assembly.

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

Mr. Mason: Thank you very much, Mr. Speaker. It's a great pleasure for me to introduce to you and to all members of this Assembly a number of students from R. J. Scott elementary school. These are bright and intelligent young people. I had a great chance to have just a little chat with them as we got our picture taken at 1 o'clock this afternoon in the rotunda. Their teacher is Miss Adele Edmondson and the parent helper is Mrs. Marci Baril. I would ask that they and all the kids from the class please rise and receive the warm welcome of this Assembly.

The Speaker: The hon. Deputy Premier.

Mr. Stevens: Thank you, Mr. Speaker. I'd like to make another introduction. It's my pleasure to introduce to you and through you to members of the Assembly someone that most of you have met from time to time over the years, a good friend of mine and a former colleague, Mr. Jeremy Chorney. Jeremy was with me as my executive assistant from 2001 to 2007. He came out of the research ranks of our government caucus. Over those years he taught me much. I taught him a great deal more. As a public servant I can tell you that it's nice to have somebody from the private sector who is in government relations who from time to time has access to a free beer or so. I would ask Jeremy to please rise and receive the traditional welcome.

The Speaker: The hon. Minister of Education.

Mr. Hancock: Well, thank you, Mr. Speaker. It's great to have all these school classes here today because Alberta Education has initiated a project called Inspiring Education: A Dialogue with Albertans to build understanding of and enthusiasm for education, to develop a vision of an educated child, and to develop a policy framework to guide education in Alberta over the next 20 years. Inspiring Education is led by a steering committee comprised of enthusiastic, diverse, and very busy Albertans. Today I'd like to introduce to you and through you to members of the Assembly, the members of the steering committee.

In addition to my MLA colleagues the Member for Athabasca-Redwater, who is the co-chair of the steering committee, and the members for Edmonton-Decore, Calgary-Hays and Calgary-Montrose, we have with us today in the gallery Mark Anielski, who is the author of *The Economics of Happiness* and a professor at the

University of Alberta; Lance Carlson, president of the Alberta College of Art and Design; Sharon Carry, president of Bow Valley College; Dr. Sharon Friesen, chairman of the Galileo project; Jim Gibbons, the superintendent of Chinook's Edge school division; Dr. Wilton Littlechild, regional chief of the Assembly of First Nations for Alberta; Deborah Lloyd, an educator from Medicine Hat; John Masters with Calgary Technology Inc.; Dr. Jane O'Dea, who is the dean of education at the University of Lethbridge; Brant Parker, president of University School in Calgary; Anne-Marie Pham, who, among her other talents, is known for working very closely with the various communities in Calgary; Zuhay Sayeed from Lloydminster, who is a community activist, I think, is probably the best way I'd describe her; Laurie Thompson, principal of the Kikino school of the Kikino Métis settlement; John Tiemstra from your own constituency and town of Barrhead, Mr. Speaker, who is retired now as a CTS or, as we used to know it, a shop teacher and, actually, the head of their CTS department at the school in Barrhead; Don Iveson, who is an Edmonton city councillor; and the one steering committee member who is not with us today, Mary Hofstetter, the president of The Banff Centre.

I'd ask that the steering committee please rise and that all members of the Assembly give them our thanks for taking time out of their busy lives to help improve education in Alberta.

The Speaker: The hon. Minister of Energy.

Mr. Knight: Well, thank you very much, Mr. Speaker. It certainly is a pleasure for me to rise today. Speaking of education, I don't have a long list like my colleague; however, I can make up in quality what he gave us in quantity.

Mr. Speaker, seated in the gallery I have a very good friend, a gentleman that spent his career in the education scene in northwestern Alberta, a very dedicated individual. Upon retirement he committed himself to volunteering efforts in and around the city of Grande Prairie and the region of northwestern Alberta. It's a great pleasure for me to introduce to you and through you to all members of the Assembly Mr. Dennis Grant. I would ask Dennis to please stand and receive the warm welcome of our Assembly.

1:40

The Speaker: The hon. Member for Strathcona.

Mr. Quest: Thank you, Mr. Speaker. It's a pleasure to rise today and introduce to you and through you to this Assembly Moneca Melan, who is visiting the Legislature today. As a result of the tragic loss of her daughter Melissa in a motor vehicle collision in 2006, Ms Melan has worked tirelessly to ensure that other families do not have to face the same loss. Since 2007 Ms Melan has collected more than 1,500 signatures that urge the government to introduce legislation to suspend a graduated driver's licence if the holder of the licence is involved in a collision resulting in serious injury or death. This issue was first raised in this House on April 10, 2007. Later today I'll have the pleasure of presenting an additional 770 names that have signed the petition. She's seated in the public gallery, and I would ask that she rise and receive the traditional warm welcome of this Assembly.

Thank you.

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

Mr. Bhardwaj: Thank you, Mr. Speaker. It is my honour to rise today and introduce to you and through you a good friend and a proud Albertan, Mr. Preetam Sharma. Mr. Sharma is the president

of Council of India Societies of Edmonton, which is an umbrella organization for 15 different organizations. He also served as chairman for the India pavilion at the Edmonton heritage days last year and will serve again this year. I would ask him to please rise and receive the traditional warm welcome of the Assembly.

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

Mr. Benito: Thank you, Mr. Speaker. It is my distinct pleasure to rise today to introduce to you and through you to all members of this Assembly our constituency staff of Edmonton-Mill Woods. With us today in the members' gallery are Ms Kae Espedido, our constituency assistant, and Mr. Reginald Petines, our deputy constituency manager. They serve the community well, and I'm very proud of the service they're extending to Edmonton-Mill Woods. I would like to ask Ms Espedido and Mr. Petines to please rise and receive the traditional warm welcome of this Assembly.

Members' Statements

The Speaker: The hon. Member for Athabasca-Redwater.

Inspiring Education: A Dialogue with Albertans

Mr. Johnson: Thank you, Mr. Speaker. It's my pleasure to speak today about a very special initiative, Inspiring Education: A Dialogue with Albertans. Inspiring Education is fundamentally about the future of our province. We must educate our students not for the world of today but for the world into which they will graduate.

During these dynamic and challenging economic times it's increasingly apparent that if we are to remain successful individually and collectively as a province, we must rely on the virtues that have made Alberta strong. Beginning from the core values of opportunity, fairness, citizenship, diversity, and choice, Inspiring Education will work to increase public appreciation for education, a clearer understanding of what it will mean to be an educated Albertan 20 years from now, and ultimately a policy framework to guide activities and decisions in the education sector.

It's my honour to co-chair the project's steering committee along with Brent McDonough, an outstanding teacher from Holy Trinity high school in the Edmonton Catholic school district. Along with three of my legislative colleagues – the members for Edmonton-Decore, Calgary-Hays, and Calgary-Montrose – we are working with 16 accomplished and diverse individuals from across the province who round out the committee and bring a great breadth of perspectives to the projects.

Inspiring Education is a dialogue, not a traditional stakeholder consultation. It's a discussion to explore the perspectives of all Albertans rather than reviewing key stakeholder positions. It's an exciting visionary exercise focusing on the outcomes of our education system rather than the system itself. In short, it's about our kids and giving them what they need to be successful in a dynamic world that we cannot predict.

Inspiring Education is about engaging all Albertans so that we can understand what education needs to deliver for Albertans. Very soon the Minister of Education, my steering committee co-chair, and I will be announcing further details about Inspiring Education and how all Albertans can get involved.

I want to thank the minister and all the members of the steering committee for their dedication to this initiative. I look forward to continuing to share the important work being done on this project with my colleagues and with all Albertans.

Thank you, Mr. Speaker.

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

Health System Reform

Dr. Swann: Thank you very much, Mr. Speaker. The government has created chaos in Alberta's health care system, the result of rushed, hasty changes made without careful examination of the evidence and without proper public and professional consultation. This lack of planning and the failure to invest in the past 15 years in more health professionals, beds, and hospitals has left the system on the edge of breakdown. We're spending more money per capita in this province than across the country, but what do we have to show? Long wait times in the emergency room, ambulance service delays, equipment putting people at risk, delays getting needed operations, and a decline in professional morale.

To discover and correct the underlying causes of the breakdown in our health system, we need careful, comprehensive analysis of planning and planning based on evidence. My experience of 25 years in public health is quite simple. We need to carefully examine what is working for people and what is not. We should start with the health professionals, who are quite able to identify where the system is efficient, where it is not, and have made suggestions for years. Patient experience, too, needs to be communicated and acted upon to improve the key indicators of quality, access, and the best use of resources.

If I were Premier, I would reassert stability and control over this chaotic situation now with four steps. First, I would bring together research, citizens, and professionals in Alberta from across the system to identify key barriers and opportunities for improving access, quality outcomes, and health professional well-being. On the basis of sound evidence we would develop a plan with ongoing measures of success and make appropriate changes as needed. I would ensure that all available resources, human and material, are delivering the best results. Third, I would examine all health professionals and where they can best be used to maximize long-term benefit in the health care system, including a greater focus on prevention. Finally, I would focus more effort into the front end of our health care system, including early intervention and home supports. Albertans demand the best.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Olds College Fine Arts & Multi Media Centre

Mr. Marz: Thank you, Mr. Speaker. Last Thursday was the long-awaited grand opening of the Fine Arts & Multi Media Centre in Olds at the Olds College campus. This Fine Arts & Multi Media Centre will provide a wide range of learning opportunities to both high school and college students as well as entertainment opportunities for art patrons in central Alberta. Other rural communities such as Elnora and Hanna that are linked through the Alberta SuperNet, that provides regional access to the community learning centre arts programming and large group presentations, will also benefit from this centre.

The fine arts centre is the next but not the final stage of completing the vision of the CLC. The final stage will be in the opening of the new high school located just next door, and that will happen later this year. The treasure of the CLC was made possible through the co-operation and collaboration of the Chinook's Edge school board, Olds College, the town of Olds, Mountain View county, and, of course, the Alberta government, which has invested over \$55 million in this project to date, as well as corporate Alberta.

I'm pleased to see in the gallery today one of those members – he was introduced earlier by the hon. Minister of Education – Mr. Jim Gibbons, superintendent of the Chinook's Edge school board. Jim can be identified because he's wearing the same I Love the Alberta Arts necktie today.

Mr. Speaker, the Bell e-Learning Centre, which provided the linkages to other rural sites to enjoy the day's festivities, was made possible through significant contributions from Bell Canada. The Fine Arts & Multi Media Centre has also benefited from the generosity of a \$500,000 donation from TransCanada Pipelines corporation, and the centre will now be called the TransCanada Fine Arts & Multi Media Centre.

I'd like to thank all those who contributed their time, money, and expertise to this project. I'd also like to thank my colleagues the hon. Minister of Culture and Community Spirit, the hon. Minister of Transportation, and the Member for Rocky Mountain House for being on hand to help celebrate this event and also for their past and ongoing support. The CLC is certainly a learning treasure that all Albertans will benefit from and can be proud of.

Thank you.

Oral Question Period

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

Auditor General Office Funding

Dr. Swann: Thank you, Mr. Speaker. The extent to which the government has worked to muzzle the Auditor General is clear. On November 28 last year two government members confirmed in *Hansard* and to the Legislative Offices Committee that the President of the Treasury Board instructed them to limit the Auditor General's budget. To the President of the Treasury Board: at a time when Albertans want to know their money is well spent, is the minister telling members not to give the Auditor General the resources he needs?

Mr. Snelgrove: That's just blatantly untrue. There are obvious changes in the financial position our government finds itself facing. When ministers or MLAs or the general public ask me what I see going forward, I say that I see belt-tightening, unfortunately, some from inside. But the fact of the matter is that anybody with a clue would understand that all of us in this government at every government board level, at every agency are going to have to share in the go-forward operational dollars of this government.

1:50

The Speaker: The hon. leader.

Dr. Swann: Thank you, Mr. Speaker. Given that the impact of this direction to restrict funding to the Auditor General is a 34 per cent reduction in planned audits, including audits of Conservative friends of Horse Racing Alberta and disgraced Highwood Communications, why is the minister denying the Auditor General the means to ensure that the government uses taxpayers' dollars in the most efficient way?

Mr. Snelgrove: Mr. Speaker, I know we all said that we'll try to be nice – and I will try very hard – but it's very simple for the hon. leader to stand up and say that these are Conservative friends who we're not auditing. The Auditor General runs a very, very independent office, and I think he would probably be insulted that the hon. Leader of the Opposition would infer that anything I do or anyone

on this government does directs him where to look, who to look at, how hard to look. We live with his reports. We don't always agree with the suggestions from him because, obviously, we think he sometimes may be into policy, but his independence is essential, and that's the way it's going to stay.

Dr. Swann: Well, it's hard to be independent without money, Mr. Speaker.

Another cancelled review is that of food safety in the province, basic food safety. This review was cancelled because the President of the Treasury Board ordered government members on the committee to deny the Auditor General adequate funding. Why was this funding blocked?

Mr. Snelgrove: Mr. Speaker, once nice, twice – I did not order anyone what to vote. I have never ordered anyone what to vote at any committee I have ever attended. But the funny thing that the hon. member seems to be missing is that the Auditor General of this province says that Alberta is one of the best-audited provinces in Canada and has been for years. So for that hon. member to make some kind of allegations that somehow I have instructed or ordered anyone on that committee or anyone to do with the Auditor General to stop, start, or overlook an audit is absolute crap.

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

Dr. Swann: Thank you, Mr. Speaker. Well, the November 28, '08, *Hansard* would suggest otherwise. The Auditor General plays a vital role in ensuring that government spends public dollars wisely; in other words, making sure we get value for our money. But this government is deliberately handicapping the Provincial Auditor by denying year after year his office funding for important audits. To the President of the Treasury Board: is it this minister's policy to deny the Auditor General additional financial resource to ensure that the public doesn't know how the money is being handled by this government?

Mr. Snelgrove: Mr. Speaker, the Auditor General and his office work through the government through an independent audit committee, which I don't chair but which I sit on. This group of very intelligent and informed businessmen and -women deal with the Auditor General's department, and they assess priorities. The Auditor talks to them about where he could be looking, issues that he might be going forward to. Together they put forward an audit plan for the coming year. He then has the same responsibility as every other officer of the Legislature to go back and prioritize his budget to where he feels it's the most effective, and that's exactly how it should work.

Dr. Swann: Well, Mr. Speaker, given that on November 28 in the Legislative Offices Committee, when asked why the Auditor General funding was restricted, two government members made it clear in this *Hansard* that the instructions were from the President of the Treasury Board. Why were these instructions given to the Tory members?

Mr. Snelgrove: Mr. Speaker, the hon. member might want to write a letter to the hon. members he talked to. I don't know what hon. members said in that meeting and have no question that they have said that. But the fact is that in the context of ever suggesting that it was my right or authority to tell them how to vote at a committee meeting for any level of this thing is simply not true.

The Speaker: The hon. leader.

Dr. Swann: Thank you, Mr. Speaker. In recent years this government failed to manage infection control in the health care system: Vegreville, High Prairie, Vermilion, Lloydminster hospitals, all subject to serious health scares. Residents are worried, but the government wouldn't fund the Auditor General investigation. Why did the President of the Treasury Board block funds for infection control in the province?

Mr. Snelgrove: You know, this goes from the sublime to the absurd. I'm not sure what the Auditor General knows about infection control in hospitals, but I know that we have a Health Quality Council, that does know quite a bit about it and does a very effective job.

The other inference the hon. member makes is that somehow I would use my influence to not have them look at a hospital in my riding or any other riding. This is, Mr. Speaker, simply a dog chasing his own tail. It don't bite.

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

Hospital Services in Banff

Dr. Swann: Thank you very much, Mr. Speaker. At a time when Albertans have given birth to a record number of babies – in 2008, 50,543 – expectant mothers in Banff are facing what to them seems a crisis. It has been reported that the Mineral Springs hospital is considering an indefinite suspension of obstetric services. To the minister of health. Over 70 women are expecting babies in the next five months in Banff, and the lack of planning by this government is directly affecting a core service. What is the minister's response to these citizens?

Mr. Liepert: Mr. Speaker, it is correct that the Alberta Health Services Board has issued a statement that said that there would be a temporary closure of obstetrical services at the Banff hospital strictly related to the fact that for the staff that are required, the decision was made that the hospital was not adequately staffed. They have attempted to recruit staff. The decision was made that for safety reasons there would be a temporary suspension of obstetrical services. It should be noted that services are supplied at Canmore, which is some 15 minutes away.

The Speaker: The hon. leader.

Dr. Swann: Well, thank you, Mr. Speaker. Indeed, there are services available beyond Banff, but has the minister considered the extra burden on an already overburdened system of delivery in Canmore and also in Calgary?

Mr. Liepert: Well, Mr. Speaker, both facilities are quite capable of handling the extra cases. I think that it's somewhat of a stretch to call a 15-minute drive a crisis situation. I would suggest that there are many places that residents of this province would be actually quite happy to have to only drive 15 minutes to services.

Dr. Swann: Well, Mr. Speaker, without obstetric services many physicians will stop providing other services in the community. They will move to a community where they can provide the services they're trained to deliver. What is the plan, Mr. Minister?

Mr. Liepert: You know, Mr. Speaker, I don't understand how this particular leader can make that statement. He's basically coming up

with a premise that something is going to happen where there is no evidence that it's going to happen. You know, it's typical fearmongering.

The Speaker: The hon. Member for Edmonton-Highlands-Norwood, followed by the hon. Member for Calgary-North Hill.

Assembly of Land for Large Infrastructure Projects

Mr. Mason: Thanks very much, Mr. Speaker. This government is proposing a bill that gives them unprecedented power to control all activities on any land in the province it designates, and it would lock them in jail if they protest. Joseph Stalin would be proud. To the Minister of Infrastructure: why is your government implementing a policy that tramples the rights of rural property owners?

Mr. Hayden: Mr. Speaker, the bill is before the House. It would be inappropriate to talk about it before we've had an opportunity to debate the bill and take it through its proper democratic process.

Mr. Mason: Mr. Speaker, that's a disingenuous way to get out of answering the question about this government's policy.

It is a policy that tramples the rights of rural property owners. It claims that this is a harmless tool which will streamline infrastructure, but it threatens two-year jail terms and hundred thousand dollar fines for noncompliance. The winners in this proposal are this government's P3 partners and private energy companies. The losers are everyday rural Albertans. To the Minister of Infrastructure: how long has it been this government's policy to threaten dissidents with imprisonment?

2:00

Mr. Hayden: Mr. Speaker, when we do discuss the bill, the members in this House will see that there are no additions that are any different than already exist with respect to enforcement of regulations.

Mr. Mason: Mr. Speaker, this policy permits virtually unlimited state control over private property belonging to hard-working farmers and ranchers. This government's policies claim that government will consult with landowners but promise jail if they don't co-operate. Threatening to lock up owners who would stand up for their rights is undemocratic. To the Minister of Infrastructure: why are you stripping the rights of rural Albertans?

Mr. Hayden: Mr. Speaker, when the bill goes through the proper process, the members of this House will see that, in fact, this gives notice to landowners and to people far ahead of what we've done in the past and will be a great benefit to those landowners in Alberta.

The Speaker: The hon. Member for Calgary-North Hill, followed by the hon. Member for Edmonton-Centre.

Incentive Programs for Oil and Gas Industry

Mr. Fawcett: Thank you, Mr. Speaker. Yesterday the hon. Minister of Energy announced a three-point incentive program to stimulate additional activity in the province's conventional oil and gas sector. This is good news as investment by the oil and gas sector has a huge multiplier effect throughout the entire Alberta economy as our province continues to suffer the consequences of the current global economic disaster. Could the hon. minister provide this House with the rationale behind his three-point incentive program and what Albertans can expect to see as a result of its implementation?

The Speaker: The hon. minister.

Mr. Knight: Well, thank you very much, Mr. Speaker. Most certainly, the programs that were announced yesterday have one and only one goal, and that is to put Albertans back on the job this coming year. These initiatives are intended to keep drilling and service crews at work. Remember that the only time that any access to these programs takes place is when Albertans are at work.

The Speaker: The hon. member.

Mr. Fawcett: Thank you, Mr. Speaker. Governments around the world have tossed around unprecedented and substantial amounts of taxpayers' money over the last six months in the form of corporate bailouts and economic stimulus packages. I'm curious how yesterday's announcement compares to these strategies that have been implemented by other governments in jurisdictions across the world. To the same minister: how much money will yesterday's announcement cost taxpayers?

Mr. Knight: Mr. Speaker, there is no cost to taxpayers for these programs. Unlike other jurisdictions the member has mentioned, this government is not spending taxpayers' dollars. Rather, while the pressures we are facing are outside of our control, we are using the means that we have available to us to address pressures on our province's key industry.

The Speaker: The hon. member.

Mr. Fawcett: Thank you, Mr. Speaker. While the announcement yesterday was welcome news by many in the junior oil and gas sector investment community, I have heard from some that they are concerned about the frequency of changes to the royalty structure in the junior oil and gas investment environment in the last year. I'm hearing that in a time of great uncertainty the sector needs stability. To the same minister: how does the recent announcement create an environment of stability and certainty within the oil and gas sector?

Mr. Knight: Mr. Speaker, again, let me be very clear about this. The announcements made yesterday have nothing to do with the royalty structure. The announcements made yesterday were in response to a global economic situation that is not of our making. What we've done here is use the levers we have available to us in the government of Alberta to put Albertans back to work. Over the long term we continue to look at the investment climate in Alberta and elsewhere. What we've done here is put Albertans to work, and it's very important from that point of view.

The Speaker: The hon. Member for Edmonton-Centre, followed by the hon. Member for Drayton Valley-Calmar.

Cleanup of Orphan Wells

Ms Blakeman: Thank you, Mr. Speaker. With the prosperity of our oil and gas wells comes a price: thousands of abandoned wells, pipelines, and facilities with a billion dollar cleanup price tag. The companies get their resource and walk away. The big question is: who will pay to clean up these sites? My questions are to the Minister of Environment. Can the minister tell us why taxpayers are paying \$30 million to clean up orphan wells? They mess it up; we pay to clean it up.

Mr. Renner: Mr. Speaker, there are two reasons. First of all, this government is committed to keeping Albertans at work. That's the

underlying reason for having this expenditure put in place at this point in time. There are thousands of service rigs and individuals that work on those service rigs that are looking for work at this point in time. So that's part of the reason.

The other part of the reason is because it's an opportunity for us to address some long-standing issues that, yes, industry is responsible for, but at \$10 million a year it's going to take a lot longer than what we can accomplish at \$40 million.

Ms Blakeman: To the same minister: given that the \$30 million taxpayer subsidy is only for the upstream oil and gas industry, are taxpayers going to be on the hook for the downstream facilities as well?

Mr. Renner: Let's be clear, Mr. Speaker. Companies that are currently operating in this province are and will continue to be responsible for the reclamation of everything that they do. Orphan wells are different. Orphan wells are wells that were drilled long ago, and for numerous reasons the company that was responsible for drilling those wells is no longer in business, has gone bankrupt, or for whatever reason is not in a position to be held responsible and liable. Industry pays into a fund to address orphan wells. All this does is speed up the rate at which those wells are reclaimed.

The Speaker: The hon. member.

Ms Blakeman: Thank you. To the Minister of Energy: given that for '07-08 industry contributed only \$13.6 million to the orphan wells fund and there are over 37,000 abandoned sites, for which the ERCB estimates that more than \$9 billion will be needed to reclaim them all, why is the fund set up to only collect a fraction of the cost of what is needed?

Mr. Knight: Mr. Speaker, again, it's interesting that we stand and answer questions relative to newspaper articles and articles that other people publish relative to the business related to energy in the province of Alberta. It's very true that there is somewhere in the neighbourhood of \$12 million or \$13 million a year collected. The fund actually has about \$110 million in it currently, and they spend about \$12 million a year working on orphan wells. The Orphan Well Association, of course, directs that work, a much different situation that we're talking about here. These are not abandonments. These are orphaned wells. There is an obvious disconnect between what the member is talking about and what it is we're doing.

The Speaker: The hon. Member for Drayton Valley-Calmar, followed by the hon. Member for Edmonton-Gold Bar.

Incentive Programs for Oil and Gas Industry

(continued)

Mrs. McQueen: Thank you, Mr. Speaker. I know that many of my constituents and their families will be pleased with yesterday's announcement of an incentive program for the energy sector. This sends a very positive signal to Albertans who are concerned about their jobs during this economic downturn. My questions today are to the Minister of Energy. Do we have any idea what impact the energy incentive program will have on job creation?

Mr. Knight: Well, yes. Mr. Speaker, we know that with the incentives that we had in front of us yesterday, drilling activity should be buoyed by about the amount that we see the decline projected. There's a projected decline from the original estimates of

about 27 per cent this year over last. It relates to about 20,000 jobs. PSAC has indicated in a news release, which I will table at the appropriate time, that this relates to about 20,000 workers in their membership back in the field at work.

Mrs. McQueen: Well, that's certainly good news, and I'll take it back to my constituents.

My constituency of Drayton Valley-Calmar and the hon. member's constituency of Whitecourt-Ste. Anne make up many of the orphan wells in this province. Can you tell me how this announcement as it pertains to orphan wells will help create jobs but also reduce the environmental footprint?

The Speaker: The hon. minister.

Mr. Knight: Mr. Speaker, again, thank you very much. It is refreshing to know that there are members in the House that understand the situation that we're talking about here. This is a one-time investment that will help reduce the environmental footprint created through the abandonment of decades-old sites by aiding and returning them to their former state. In doing that, what we do is hire additional service rigs, additional equipment operators, and provide employment across Alberta for these individuals.

2:10

The Speaker: The hon. member.

Mrs. McQueen: Thank you, Mr. Speaker. My final question to the same minister: can the minister please advise the Assembly how we will know if the incentive program has been successful?

Mr. Knight: Well, again, Mr. Speaker, in the end success will be measured in the jobs created and most certainly in money continuing to be spent in the province of Alberta. Even more success can be measured by new resource pools brought on by this particular initiative. Long after these incentive programs have ended and have been forgotten, we will continue to collect royalties on these pools that will produce long after these incentives are gone. A win-win situation: with these actions we save jobs now, and we will continue to collect resources in the future.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Calgary-Bow.

Workplace Health and Safety

Mr. MacDonald: Thank you, Mr. Speaker. Thirty-four per cent of the audit projects between October 2008 and March 31, 2010, by the office of the Auditor General have been deferred or cancelled. One of the audit projects deferred until April of next year is on workplace health and safety. My first question is to the Minister of Employment and Immigration. Given that workplace fatalities have risen 34 per cent in the last three years, what is the Minister of Employment and Immigration doing to have this necessary audit by the office of the Auditor General done right now?

Mr. Goudreau: Mr. Speaker, I'm not the one that controls what the Auditor General chooses to audit. All I want to indicate is that workplace incidents, whether they're fatalities or injuries, are totally unacceptable. We recognize that as a ministry. We have inspectors of our own on-site. We do go out to do spot inspections, and, yes, we work with those individuals that are poor performers to try to improve their performance. As a ministry we take a very, very

active role in trying to minimize any of those activities from happening.

Mr. MacDonald: Again, Mr. Speaker, to the same minister. One hundred and sixty-six workers died last year in Alberta because of their jobs. Why did the government limit the Auditor General's resources, preventing a necessary audit at this time which would ensure safe and healthy workplaces throughout the province?

Mr. Goudreau: Mr. Speaker, as I indicated in my earlier response, I don't control the audits that the Auditor General may choose to do.

I do want as well to indicate that although our numbers are climbing with the amount of Albertans working in this particular province, our rates are pretty constant in terms of our historical averages. Our disabling injury rates are actually decreasing per 100 full-time jobs as well as our lost-time claim rates. Those numbers are going down, and we're still attempting to do better.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the same minister: how can the hon. minister justify sporting around the globe at taxpayers' expense when the office of the Auditor General has to defer for one full year a life-saving audit on workplace health and safety throughout this province?

Mr. Goudreau: Well, Mr. Speaker, those are two different priorities. Inasmuch as we are very, very concerned about workplace fatalities and injuries, we do have some priorities in terms of making sure that we have the right people at the right place with the right skills to do the work that's expected in the province of Alberta.

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

Incentive Programs for Oil and Gas Industry (continued)

Ms DeLong: Thank you very much, Mr. Speaker. Our government collects zero corporate taxes from the oil and gas that companies do not produce and sell. Our government collects zero personal taxes from jobs that are not there. My question is to the Minister of Energy. How much royalty does your department collect on wells that are not drilled?

Mr. Knight: Mr. Speaker, if I understand the question correctly, the amount of royalty that Albertans would get from wells that are not drilled is zero.

The Speaker: The hon. member.

Ms DeLong: Thank you very much, Mr. Speaker. That was why I was so pleased to hear about the programs that were announced yesterday and wonder if these programs that were announced yesterday are related to the other programs that were announced last year for deep drilling and transitional royalties.

Mr. Knight: Mr. Speaker, the short answer to that is no. Again I've got to be very clear. These incentives that were discussed yesterday and the programs released yesterday are in response to a very steep decline in oil and natural gas prices and, most certainly, a squeeze in the global credit markets. These programs, these incentives are

in response to a crisis that we have today, and they are not in any way, shape, or form attached to the royalty structure we have in place.

The Speaker: The hon. member?

Ms DeLong: No further questions. Thank you.

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

Secondary Ticket Sales

Ms Blakeman: Thanks very much, Mr. Speaker. The prohibition against ticket resales has been removed from the new Film and Video Classification Act with the government arguing that consumers are protected under the Fair Trading Act, and this is simply not true. The Fair Trading Act only ensures that tickets are legitimate and that there is disclosure for why they're charging such high prices. This is not the same thing as protecting consumers from the ticket reselling practices of Ticketmaster. I'll ask again to the Minister of Service Alberta: what is the minister doing beyond daily monitoring to protect Alberta ticket buyers?

The Speaker: The hon. minister.

Mrs. Klimchuk: Thank you, Mr. Speaker. Indeed, daily monitoring is ongoing. As well, with respect to the Fair Trading Act there is protection for consumers under that if a consumer has been misled or been sold a fake ticket or other unfair trade practices. What's really important here is that the conversation is happening. We need to hear from people out there who are being misled or consumers who are not getting the right information. That's why this conversation needs to happen, so we can do the right thing and handle it properly.

The Speaker: The hon. member.

Ms Blakeman: Well, thank you. To the Minister of Culture and Community Spirit. Ontario's act actually protects ticket buyers and artists and workers by prohibiting secondary ticket sales, so why doesn't the minister introduce legislation to do the same thing here?

Mr. Blackett: Well, Mr. Speaker, right now we're going through the regulations as opposed to Bill 18 before we have it proclaimed. What we have done is that we've talked to Ticketmaster, and we've had indications from them. We asked them to cease and desist. We did that months ago. TicketsNow is not operating in Alberta. None of our artists or our consumers are at risk on this particular issue.

Ms Blakeman: Boy, did you get taken.

Back to the same minister: if he doesn't want to bring in legislation that prohibits ticket reselling, why doesn't the minister take the same steps that the Attorney General from New Jersey took; that is, to stop Ticketmaster from steering customers to its secondary sites, they legislated that Ticketmaster could not resell tickets on TicketsNow until after a delay of up to one year. Why don't you consider that?

Mr. Blackett: Well, I will take that under advisement. Thank you.

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

Long-term Care

Ms Notley: Thank you, Mr. Speaker. Last January the Premier said, and I quote: "Our government will invest \$300 million for 600 new beds . . . in seven new long-term care centres across the province." A year later this promise is broken. Not one single new bed exists, and the government's continuing care strategy includes no increase to the number of long-term care beds for at least six years. To the Minister of Health and Wellness: when hundreds of seniors are lining the hallways of our hospitals waiting for care, how can you show them so much disrespect?

Mr. Liepert: Well, Mr. Speaker, the preamble was, as is customary, not correct. There are a number of projects around this province in long-term care that are under way. I would encourage the member to leave her office in the Legislature and travel to some of the communities west of Edmonton and down to Calgary. There are several facilities that are under construction.

The Speaker: The hon. member.

Ms Notley: Thank you, Mr. Speaker. None of these new facilities are part of what was announced.

Now, approximately 750 seniors are taking up acute-care hospital beds because they're on the waiting list for long-term care. Meanwhile, the government is planning no new beds that will provide the level of care these patients require. These seniors don't need new apartments with new fees; they need qualified care. To the minister of health again: will you admit that the only way your strategy can succeed in getting these seniors out of hospitals is by waiting for those currently in long-term care to pass away?

2:20

Mr. Liepert: No, I won't, Mr. Speaker, because what we are doing and what we will be doing – and I would encourage the member to listen carefully to the minister of finance's budget delivery on April 7. We don't believe that the answer to those particular patients is to simply to house them, institutionalize them in long-term care. We want to provide some options. We will be ensuring that there are additional dollars for things like home care, where these particular patients can actually go back to where they want to be, not where these two want to send them to.

The Speaker: The hon. member.

Ms Notley: Yeah. Well, indeed, yesterday when asked about the 600 long-term care beds he promised Albertans, the Premier started talking about housing. Home care won't cut it for the 1,500 Alberta seniors waiting for long-term care beds and neither will new apartments. Alberta's senior population is growing, and so is the long-term care wait-list. To the minister of health: wouldn't it be wiser to build the new long-term care beds you promised rather than leaving it to overcrowded hospitals and overworked Alberta families to do your job for you?

Mr. Liepert: Mr. Speaker, I can only repeat what I said in my first answer. We are.

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

Research and Innovation Funding

Mr. Bhardwaj: Thank you very much, Mr. Speaker. I attended the Ingenuity in Our Community event last week in Edmonton, where

the government provided an update on the innovation framework. Given the state of the global economy I've heard questions about whether we should be rethinking some current initiatives that could perhaps wait until after the economic storm has passed. My questions are to the Minister of Advanced Education and Technology. Could the minister please explain why he's proceeding with his work to define the role and mandates within Alberta's research and innovation system at this time?

The Speaker: The hon. minister.

Mr. Horner: Thank you, Mr. Speaker. It's a very good question. Given the current economic situation that we find ourselves with globally, I think it was actually quite a good vision of the Premier to embark upon this kind of realignment and refocusing of our research system and our research and innovation framework. Last year is when we started this. What that's going to do is give us a leg up on many other jurisdictions around the world that are currently looking at how they can become more accountable, more focused, and more aligned, and that's exactly where we're headed.

The Speaker: The hon. member.

Mr. Bhardwaj: Thank you very much, Mr. Speaker. Once again to the same minister: the audience last week was very supportive of the youth techno entrepreneurship program, but given the circumstances would the \$3 million be better spent on bolstering another part of the research and innovation system?

Mr. Horner: Mr. Speaker, the youth of Alberta are the future of Alberta. The youth of Alberta are the future entrepreneurs of Alberta, and our techno entrepreneur program, which was part of what came forward in the task force last year, is something that we're not going to pull back on because it's exactly the type of investment we should be making in this type of climate.

The Speaker: The hon. member.

Mr. Bhardwaj: Thank you, Mr. Speaker. My final question to the same minister. There seems to be a great deal of emphasis on entrepreneurs and not so much on the research side of things. Is this a signal that Alberta is moving away from its past support for research?

Mr. Horner: Mr. Speaker, I do hear this question a fair bit; that is, are we moving away from the tremendous strengths that we have in basic research in our postsecondary institutions and our research institutions? The answer is absolutely not. What we are doing is building upon that strength and building upon the areas of focus and alignment that we have so that we can take that basic research and turn it into the good that it should do for society.

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

Homelessness Initiatives for First Nations People

Mr. Taylor: Thank you, Mr. Speaker. My questions today are to the Minister of Housing and Urban Affairs. The aboriginal community accounts for about 5 per cent of Edmonton's population but constitutes a startling 40 per cent of Edmonton's homeless population. The statistics for Calgary are similar. The difference, it seems

to me, between the two cities is that Edmonton's new 10-year plan to end homelessness proposes programs that are specifically geared to housing and supports for aboriginal people, and Calgary's plan seems not to do that. Does the minister agree that for any 10-year plan to end homelessness in Alberta to be successful, the plan should include culturally specific programs to address housing and supports for homeless First Nations people?

The Speaker: The hon. minister.

Mrs. Fritz: Thank you, Mr. Speaker. That's a very important question. Yes, the Edmonton 10-year-plan, which was just released, as you know, approximately three weeks ago, has identified that the aboriginal population in Edmonton that is homeless is at 40 per cent when, really, it's 5 per cent of the Edmonton population overall. I do agree, as I've indicated even that day when we did the announcement, hon. member, that I very strongly support culturally sensitive housing programs, and that would include those for the aboriginal community.

The Speaker: The hon. member.

Mr. Taylor: Thank you, Mr. Speaker, and thank you to the minister for that answer. What is the minister doing to ensure that the 10-year plans that have already been adopted by cities or municipalities have programs that are specifically designed to get First Nations people out of homelessness and into housing?

Mrs. Fritz: Well, Mr. Speaker, the 10-year plans that we've received as a ministry have been from the seven major municipalities in the province, which would include Lethbridge and Red Deer, Edmonton, Calgary, the ones that the member has named. It's really the local communities that put forward what is important in their communities into their plans. Edmonton has addressed the aboriginal housing component, and as I said, I will be supporting the Edmonton plan strongly.

The Speaker: The hon. member.

Mr. Taylor: Thank you, Mr. Speaker. Now, given that we are still waiting for the release of the province's 10-year plan to end homelessness – and maybe the minister can shed some light on when we might expect to see it – will the minister tell us what programs, if any, are being developed at the provincial level that specifically address the overrepresentation of aboriginals in Alberta's homeless population?

Mrs. Fritz: Well, Mr. Speaker, the provincial 10-year plan to end homelessness will identify long-term strategies, as I've indicated here in the Assembly before. I am looking forward to that release once the government process has been completed. As for the aboriginal community over the past three years, we've allocated about \$45 million through a federal program to the communities overall, and they've been for student housing at Mount Royal College and other colleges; also for aboriginal home ownership programs for aboriginal communities – some are applying for Habitat for Humanity, for example – a number of ways that we're assisting communities with that money.

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

Cattle Age Verification

Mr. Prins: Thank you, Mr. Speaker. As part of the Alberta government's ongoing plan to assist our livestock industry, a second portion of a benefit will be available to Alberta livestock producers. In order to receive this benefit, cattle producers were required to age verify their 2008 calf crop by the end of 2008. My first question is to the minister of agriculture. How much of our calf crop has been age verified to date?

Mr. Groeneveld: Mr. Speaker, we certainly are pleased with the response from the Alberta cattle producers. We now have about one and a half million, or 83 per cent, of our 2008 calf crop age verified. All livestock producers who meet the requirements, including premise identification, receive a second benefit under the AFRP 2 in early March. We now have a total of a hundred million dollars which is available to the qualified producers.

Mr. Prins: Well, thank you very much for that answer. Mr. Speaker, my next question to the same minister. I know that there are some producers that have questioned the value of the age verification program. Can the minister tell us how age verification will be of benefit to this industry?

The Speaker: The hon. minister.

Mr. Groeneveld: Well, thank you, Mr. Speaker. Yes, certainly, there are some questions about it, but simply put, age verification will increase our market access. Key markets, including many of the Asian markets, insist that our animals now be age verified. The federal agriculture minister, Ritz, was recently able to secure some market access in principle for the sale of Canadian beef to Hong Kong. This is a staged approach, and it will open other markets for age verified animals only. Just as important, probably, in the event of a disease outbreak age verification will help us identify the animals at risk.

The Speaker: The hon. member.

Mr. Prins: Thank you again, Mr. Speaker. To the same minister: age verification is now mandatory under the Animal Health Act, and I would wonder what assistance is available to producers to help them to comply with this mandatory function.

The Speaker: The hon. minister.

Mr. Groeneveld: Thank you. Absolutely, Mr. Speaker. Since October Agriculture and Rural Development field staff have been assisting producers age verify their animals and complete their premise ID identification. I believe Alberta ag at this particular time has about 61 field staff available for them, so help certainly is available over the phone or in person by calling the Ag-Info Centre at 310-FARM.

The Speaker: The hon. Member for Calgary-Varsity, followed by the hon. Member for Calgary-Nose Hill.

Early Childhood Services

Mr. Chase: Thank you, Mr. Speaker. Part of the Minister of Education's mandate as specified by the Premier is to "increase . . . early intervention initiatives." One such initiative, early childhood services, provides programming for children under the age of six.

But a letter a parent received from the minister states, “The School Act does not give [the minister] the authority to review decisions related to the special education programming of a child in an ECS program.” To the Minister of Education: if the minister is not responsible for ECS programming, will the minister please tell us who is?

2:30

Mr. Hancock: Well, luckily, Mr. Speaker, this government works well together. I work with the ministry of health and the ministry of children’s services to make sure that children have access to the services that they need not only to do well but to be ready for school at an appropriate time. That means early diagnosis, that means talking about early childhood programming, and it means co-operating with our school boards, many of whom have put forward programming in the areas of early childhood work. There are a lot of people in this province who care about kids, and a lot of them are working together to make good things happen.

Mr. Chase: I am pleased to hear that that co-ordination exists. I’d like to see concrete examples of it. I’ve asked questions to the Minister of Children and Youth Services, who’s passed it on to the minister of health, and you’re sort of flipping it back to both of them, so I’m still not sure.

Does the minister acknowledge that children younger than six years old should be protected with the same rights as children who are six years old or older, and who’s going to ensure that that protection occurs?

Mr. Hancock: Mr. Speaker, that’s a very broad question. Should children under age six have the same rights as children over age six? Absolutely.

The Speaker: The hon. member.

Mr. Chase: Thank you. Inappropriate clustering, misuses of funding, and record mismanagement are just a few problems this particular parent has had to face recently with the ECS programming without any course of redress. Will the minister admit that the School Act must be changed to better protect children under the age of six? Specific care.

Mr. Hancock: Well, Mr. Speaker, luckily, we’re engaged in a process of Inspiring Education, which is going to review entirely the process of providing educational opportunities to students in this province to make sure that every child has the opportunity to maximize his or her potential. In the course of that process, as I’ve indicated both in the Legislature and outside the Legislature, we’ll be looking at the legislative framework for education, and we’ll be happy to consider all aspects of education and all potential amendments that might be needed to the act. I’d invite the hon. member to engage his community in the discussion and to bring forward suggestions as to how we might do things better.

The Speaker: The hon. Member for Calgary-Nose Hill, followed by the hon. Member for Edmonton-Riverview.

Municipal Taxation

Dr. Brown: Thank you, Mr. Speaker. All of my questions are for the Minister of Municipal Affairs. Some cities are suggesting that they need to keep all of the education property taxes that they’re collecting in order to meet the growing demands of municipal

budgets. Can the minister please advise the House whether he’s contemplating any such change?

Mr. Danyluk: Well, Mr. Speaker, we all benefit from the funds collected for public education. Let me be very clear that education taxes are not municipal revenue. They are collected on behalf of this province. The funding of education through the general revenue fund and property taxes strikes a balance: property taxes, approximately 31 per cent; GRF, approximately 69 per cent. There are no plans to change.

Dr. Brown: Mr. Speaker, many municipalities are feeling budgetary pressures associated with increased costs and the deteriorating economy. Can the minister please tell us how municipalities can manage these challenges?

Mr. Danyluk: Well, Mr. Speaker, strong municipalities are the key ingredient to strong communities. One of the ways, of course, is the municipal sustainability initiative. But this government is supporting municipalities, supporting them through transportation grants, infrastructure, health projects, savings through the health care premiums, ambulance savings. Municipalities need to prioritize, and they have the responsibility to the citizens of their municipality to prioritize.

Dr. Brown: Mr. Speaker, recently the city of Calgary proposed implementing new ways for municipalities to raise revenues, including a real estate transfer tax. Can the minister tell the House whether there are any plans to amend the Municipal Government Act to allow any new fees or taxes by the municipalities?

Mr. Danyluk: Well, Mr. Speaker, the simple answer is no. We are not considering providing new taxation powers, especially in these economic times. We will continue to talk with municipalities about the importance of sustainability, their challenges, and possible solutions. But in the end, no, we are not considering providing new taxation powers.

The Speaker: The hon. Member for Edmonton-Riverview, followed by the hon. Member for Calgary-Mackay.

Syncrude Royalty Agreement

Dr. Taft: Thanks, Mr. Speaker. In the private-sector world corporate reports to shareholders must meet the test of full, plain, and true disclosure. This government, sadly, has no such requirement. Information filed by one of Syncrude’s shareholders indicates that the royalty deal Syncrude just negotiated with this government is worth many billions in increased profits. To the Minister of Energy: what was the makeup of the government team that negotiated this deal? Who were its technical leaders, and who were its political leaders?

Mr. Knight: Well, Mr. Speaker, as has been the case over a number of years, the people that are responsible for negotiating and continuing the health of the Crown agreements on behalf of the province of Alberta are individuals in the Department of Energy.

The Speaker: The hon. member.

Dr. Taft: Well, thanks, Mr. Speaker. This government was hosed by Syncrude negotiators. It ignored the advice of its own experts and gave Syncrude an unbelievably generous deal. Again to the

Minister of Energy: did the Department of Energy conduct detailed analysis of the impact of this royalty deal before agreeing to it, and if so, did he accept the full and complete advice of his department officials in agreeing with this deal?

Mr. Knight: Again, it's interesting to note that a number of individuals, and particularly some of the individuals here in the House, think that it's just kind of a simple little arrangement when you go and make a Crown agreement relative to a 40-, 50-, 60-, 80-year business proposal for the people of the province of Alberta. These agreements are very complicated and complex agreements. Have I had an opportunity to sit with people from both sides of the negotiating? Have I sat at the table with people on both sides of the negotiations when it is going on? No. But have I accepted and read and concurred with people from both sides of the negotiating team? Yes, Mr. Speaker, I have done.

The Speaker: The hon. member.

Dr. Taft: Thanks, Mr. Speaker. Given that the President of the Treasury Board has directed government members to limit the Auditor General's budget, leading to a deferral of the audit of royalty collections, will the President of the Treasury Board take this multibillion dollar issue seriously and request the Auditor General to conduct a special audit of the royalty collection system?

Mr. Snelgrove: Mr. Speaker, from *Hansard* from our Auditor General, who says, "Alberta is unique also in that it is the only jurisdiction that publicly reports on every ministry." A little further down the line it says:

where we go more in depth beyond the financial statements and into the actual operations of an organization and how they conduct their work. We do . . . more [than a] thorough examination . . . Since I am statutorily required to do all the financial statement audits, then I'm only left with what is left over to do the systems audits. Therefore, we have to reflect upon that as to how much you can do in the year with the resources that you have available.

From Mr. Fred Dunn.

The Speaker: Hon. minister, that was a direct quotation from what I believe to be a document that already is the purview of the House and has been tabled in the House before. Is this correct?

Mr. Snelgrove: Yes.

The Speaker: Okay. It doesn't have to be done again, then.
The hon. Member for Calgary-Mackay.

Education Consultation

Ms Woo-Paw: Thank you, Mr. Speaker. Some people may say education in Alberta has sometimes been everyone's whipping boy: reports of students failing, testing stressing students out, and parents writing letters to media and trustees saying that they do not understand what their child is learning in school, all at a time when according to some corners about 70 per cent of our population do not have children in school. My question is to the Minister of Education. Earlier you introduced a number of individuals who are serving on the steering committee for Inspiring Education: A Dialogue with Albertans. They are well-respected members coming from many parts of Alberta. Are you expecting these people to solve the problems of the education system today?

Mr. Hancock: Well, Mr. Speaker, I think it should be clear that Albertans have a right to be very justly proud of the education system they have today. By some accounts, very credible international accounts, we rank among the top five in the world. In fact, people come from all over the world to take a look at what we're doing here in terms of our curriculum, our assessment processes and accountability processes, our teacher education and teachers, the standardized curriculum. There are many things that speak up for the value of education today. There are issues, obviously, but our committee is about tomorrow, about the long term.

2:40

The Speaker: The hon. member.

Ms Woo-Paw: Thank you. Again to the Minister of Education: is it wise to be undertaking such an ambitious task at a time of economic uncertainty?

Mr. Hancock: Well, Mr. Speaker, absolutely. A time of economic uncertainty is a time when you invest in looking to the long term and the big picture and where the province is going so that you can be ready and have your citizens ready to engage in the opportunities that they have for tomorrow. That's the important part: to make sure that our children and their children have the opportunity to be Albertans tomorrow and to seize the opportunities at home and in the world. Looking at what we're doing, the Inspiring Education process and getting the public to understand the value of education to the future are absolutely essential.

Ms Woo-Paw: My final question is again to the same minister. Is this process a roundabout way to eliminate locally elected school boards and establish a school superboard to run everything out of one office?

Mr. Hancock: No, Mr. Speaker. In fact, that's a question that was raised with me at the Alberta School Boards Association and many other venues. This is about public engagement in a discussion, a dialogue of Alberta. It's about public involvement. A locally elected school board should be part of that process of involving the public in the discussion. The Alberta School Boards Association in the next week or so is holding a conference to do exactly that. The Public School Boards' Association is engaged as well. This is about involving the public.

However, the discussion will be about the future of education, and obviously part of that will be governance structure and the appropriate governance structure. Form will follow function. But, Mr. Speaker, it's not about eliminating the school boards; it's about involving the public in education.

The Speaker: Hon. members, that was 106 exchanges today. In 30 seconds from now I'll call upon the first of three remaining members to participate in Members' Statements.

Members' Statements (continued)

The Speaker: The hon. Member for Strathmore-Brooks.

Strathmore Youth Exceptional Service Awards

Mr. Doerksen: Thank you, Mr. Speaker. It is my pleasure today to acknowledge the Strathmore youth exceptional service awards that were celebrated and presented on Saturday, February 21, 2009. This marked the fifth anniversary of the awards, that were initiated thanks

to the inspiration of society president Valerie Heck. This year 10 young people were nominated for and received the awards based on their significant and exemplary volunteer service in the Strathmore community.

Thirty-six young people have been recognized in the five-year history of the awards, ranging in age from 4 to 18 years. Sponsored by local businesses and service clubs, the awards highlight the positive volunteer actions of young people in a wide variety of areas, young people whose actions and commitment are the fabric of what strong communities are made of. I highlight the initiative of 9-year-old Erin Waterchief, who, among other achievements, collected over \$100 at her last birthday party in lieu of gifts. With her young friends Erin donated and delivered the money to the Strathmore hospital.

Volunteer services at the community library, the seniors' lodge, and fundraising for a skateboard park were among other achievements highlighted during the awards. Mr. Speaker, at a time when some are concerned about the loss of commitment to volunteer service, I am proud to congratulate the Strathmore Youth Exceptional Service Award Society and the 10 young nominees they recognized last week.

Thank you, Mr. Speaker.

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

National Social Work Week

Mr. Johnston: Thank you, Mr. Speaker. I'm very pleased to rise today and recognize social workers in our province during National Social Work Week, which is March 1 to 7. Social workers are heroes in our society. They're ordinary people who do the extraordinary by responding to children and families in crisis, counselling patients in hospitals, giving guidance to our children and youth in schools and universities, and working with families in family courts and elsewhere. Their contributions to our communities have far-reaching and positive effects on Albertans from all walks of life, and we are a stronger province because of their vital care and support.

However, their work is often behind the scenes and isn't always acknowledged. I applaud the work social workers do each and every day to ensure that Albertans are receiving the help they need to be successful. I hope that this week and throughout the year we can all take the time to say thank you to social workers for the valuable role they play.

Thank you, Mr. Speaker.

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

Multilingualism

Ms Woo-Paw: Thank you, Mr. Speaker. I rise today to speak on the value of learning international languages. It has been long recognized that language is one of the most powerful instruments for communication, the preservation and development of our tangible and intangible heritage, and positive human connections. As our world and societies become increasingly pluralistic, global, and multilingual, there's a corresponding increase in the recognition and appreciation for the benefits of learning international languages and maintaining heritage, or mother, languages. This is deemed so important for human development that UNESCO proclaimed February 21 of each year as International Mother Language Day 10 years ago.

Mr. Speaker, having a multilingual population yields benefits in all aspects of life in our society. It helps learners to develop greater ability in thinking, problem solving, as well as improved ability to

learn. Multilingualism is also linked to reduction in school dropout rates and enhanced social integration. In our global knowledge-based economy the ability to speak in multiple languages is crucial for conducting business in the international community and critical for advancement of business goals. Having a shared language also strengthens family connections at home as well as relationships around the globe.

The United Nations also recognizes multilingualism as a way to demonstrate respect and inclusion and develop better understanding and appreciation for those from different cultures, countries, and nationalities, which in turn helps reduce racism, xenophobia, and intolerance.

Here in Alberta, Mr. Speaker, international and heritage languages are taught to students in both our public schools and community-based language schools. At the community level over 40 languages are taught to over 12,000 students every weekend by many dedicated leaders, teachers, and volunteers from our diverse cultural and linguistic communities.

As an Albertan who has devoted more than a decade to running community-based language programs and raised three multilingual young Albertans, I look forward to seeing greater development in international programs in Alberta in the years to come. Thank you.

Presenting Reports by Standing and Special Committees

The Speaker: The chair of the Standing Committee on Public Accounts.

Mr. MacDonald: Yes. Thank you very much, Mr. Speaker. As chair of the Standing Committee on Public Accounts I am pleased to table five copies of the committee's report on its 2008 activities. Additional copies of the report have also been provided for all Members of the Legislative Assembly.

Thank you.

Presenting Petitions

The Speaker: The hon. Member for Strathcona.

Mr. Quest: Thank you, Mr. Speaker. I have one petition this afternoon. This petition is signed by 770 individuals, many of whom are residents of the Sherwood Park and the Strathcona constituency. It reads:

We, the undersigned residents of Alberta, petition the Legislative Assembly to urge the Government to introduce legislation that will ensure the following:

1. where a person who holds a graduated driver's licence is operating a motor vehicle that is involved in a collision resulting in serious injury or death, that person's licence shall be suspended immediately and notification shall be provided to the Alberta Transportation Safety Board; and
2. the Board shall immediately conduct a review of the incident to determine whether the person's licence should be reinstated, and if so, under what conditions.

Thank you.

Tabling Returns and Reports

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

Mr. Chase: Thank you very much, Mr. Speaker. I am tabling the correspondence to and from the Minister of Education which I referenced during question period today.

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

Ms Notley: Thank you, Mr. Speaker. I have four tablings today. The first two relate to documents referred to in my questions. I'd like to table the appropriate number of copies of excerpts from the government's December continuing care strategy, which related to my questions today, wherein the government's plan to build no new long-term care beds is clearly stated.

My second tabling is the appropriate number of copies of speaking notes for the Premier dated January 29, 2008, available on his website, in which he promises that his government will spend \$300 million on 600 new long-term care beds and more than 200 replacement beds.

I'd also like to table the appropriate number of copies of a news release from Public Interest Alberta regarding the opposition expressed by a number of seniors' groups to the government's continuing care strategy.

Thank you.

The Speaker: Are there others? The hon. Minister of Energy.

2:50

Mr. Knight: Yes, Mr. Speaker. As I'd indicated earlier in question period, I would like to take this opportunity to table a news release from the Petroleum Services Association of Canada in which they indicate that the Alberta energy initiatives program will save jobs.

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 Redford, Minister of Justice and Attorney General, response to a question raised by Mr. Taylor, hon. Member for Calgary-Currie, during Oral Question Period on March 2, 2009, regarding fires caused by the negligence of a landlord.

On behalf of the hon. Mr. Lindsay, Solicitor General and Minister of Public Security, victims services branch status report 2007-2008.

Orders of the Day

Committee of Supply

[Mr. Cao in the chair]

The Chair: The chair would like to call the Committee of Supply to order. The hon. President of the Treasury Board.

Supplementary Supply Estimates 2008-09, No. 2 General Revenue Fund

Mr. Snelgrove: Thank you, Mr. Chairman. I would like to move the 2008-09 supplementary supply estimates, No. 2, for the general revenue fund. These estimates will provide additional spending authority to three departments of the government and the office of the Auditor General. When passed, the estimates will authorize an increase of about \$128 million in voted expense and equipment inventory purchases. These estimates are consistent with the third-quarter fiscal update, which updated the 2008-09 fiscal plan for all government entities. While specific ministers can speak to the details related to their individual budgets, I can outline the overall requests for additional spending authority.

The increases include \$70 million for higher than anticipated producer claims for the 2007-08 year of the Alberta farm recovery program, phase 1; \$49.7 million for employment and training programs, health benefits, and income supports; \$8 million for the off-site service work for the Fort McMurray community development plan; and \$750,000 to the Auditor General for increased audits

and requirements from the March 2008 restructuring of the government and several special-purpose audits requested by the Legislature.

Thank you, Mr. Speaker.

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

Mr. Taylor: Thank you very much, Mr. Chair. It is a pleasure, an honour, an experience is perhaps the best word, to rise and kick off the debate of the 2008-2009 supplementary supply estimates, version 2.0, I guess we could call it because we dealt with version 1.0 on November 26. That was worth pretty close to a billion dollars, and now we're looking at adding another \$128,477,000 to that. The hon. President of the Treasury Board gave a brief, specific breakdown of where that money would go. Over the course of this afternoon, Mr. Chair, we will debate this further, and we will see what kinds of questions we can come up with and what kinds of answers the government can provide to our questions.

Of course, the first question for the 2008-2009 supplementary supply estimates, No. 2, is: how come we keep doing this over and over again, at least once a year, often twice a year, going back 10 years now, going back \$13,843,000,000 worth of additional money requested within the budget year? I mean, Mr. Chair, I'm sure there was a time when we actually had budgets that small to get us through a year in the province of Alberta.

Dr. Taft: Not long ago.

Mr. Taylor: My colleague from Edmonton-Riverview says that it actually wasn't that long ago although I must confess that I have no historical memory from being here in this House of a time when the budget was only \$13.8 billion. The first budget that I think we debated after I was elected in 2004 – that would be the fiscal 2005-2006 budget, I guess – was about \$25 billion. About this time last year, a little later than this, we were debating the '08-09 budget for \$37 billion, \$12 billion, or nearly 50 per cent, more than it was just four years earlier. Mr. Chair, on top of that – on top of that – we need to keep going back to the well, you know.

Mr. Chair, I've got two kids in university. I know a little something about the experience of being the bank of mom and dad. I know what it's like. If my kids kept coming back to me the way this government keeps coming back to this Legislature with its hand out and its pockets turned out, pleading poverty and saying, "Please, sir, I need more," I think I'd tell them to go get a job.

Ms Pastoor: You might tell them to get a job.

Mr. Taylor: Exactly. Go stand out on 17th Avenue in Calgary with a squeegee.

Ms Pastoor: Teach them how to budget.

Mr. Taylor: Well, yeah. My hon. colleague from Lethbridge-East actually just nailed it there, Mr. Chairman. What I would do, what I have done, is teach our kids how to budget.

Mr. Denis: How conservative. Very conservative.

Mr. Taylor: That from a former Liberal, a former Saskatchewan Liberal, the Member for Calgary-Egmont. I'll take that comment about conservatism with a lowercase "c". [interjections] Oh, the sparrows are starting to chirp again from the other side.

An Hon. Member: Absolution is good for the soul.

Mr. Taylor: Bless you, my son.

There is just no way around the fact that this is like the *Seinfeld* show. It just went on and on. It was never about anything in particular. It was about the same thing every episode. Nothing ever really changed. Nothing ever really was accomplished. No progress was ever really made. No accountants were apparently hurt in the making of this movie.

The simple, sad, inescapable fact of the matter, Mr. Chairman, is that this government cannot live within its means, cannot budget properly for a 12-month period, and that is why it continues to come back to this House once or twice a year asking for more.

Now, in the grander context of the requests for more this is only a request for a little more – a little, tiny bit more – just \$128,477,000. Not much more than beer money when you're talking about it in the context of a \$37 billion budget. But the combination of this increase that's being asked for now and the increase that was approved in November and the original budget of \$37 billion – and we're not quite finished this year yet. We've got – what? – 27 days left in it. I think this brings the actual increase in expenditures from fiscal '07-08 closer to 13 per cent than the 9.7 per cent increase in spending that was advertised when we did the budget debate last year. Of course, that budget – we're coming to the end of that budget period – estimated spending increases of 12 per cent over the next three years and admitted that that was going to be front-loaded onto this year's budget because of a pretty massive increase in capital spending that would level off over the years to come.

3:00

There was some acknowledgement in Budget 2008, Mr. Chairman, that going forward from that point, things were a little dicey; it was going to be a little difficult to predict what the world economy was going to do. I quote from the fiscal overview from Budget 2008. "The actual surplus over the next three years will depend on factors largely outside the control of the Alberta government." Well, may I say in a totally nonpartisan way: we've all discovered that. We've all discovered that all kinds of things outside of the control of any or all of us in this House have had a massive impact on the budget, on the economy, and on the way things look going forward.

The way things look going forward is a bit dark, a bit cloudy, a bit scary, a bit bleak, and understanding that I'm talking now a little more than a month in advance of the beginning of debate on the budget for fiscal '09-10, which may present – we don't know yet because we haven't seen the budget – a very different picture than what we've been used to, we are here debating a hundred and some-odd million dollars in requested supplementary supply money in a context that says that nothing is being reined in yet. So I guess my first question to the President of the Treasury Board would simply be: what is this government's plan to curb spending increases?

Now, I'm not asking the President of the Treasury Board to steal the finance minister's thunder or spill the beans in advance of the finance minister's budget or anything like that. I understand the requirement to wait for April 7, to stay tuned, as is often said, for the details. But in broad, general terms I think this is an appropriate time in this Assembly for the question to be asked about what the government has in the way of a plan, if any, to curb spending increases. I think this is an appropriate time to ask whether we will be going through this exercise again twice next year. I think this is an appropriate time to find out whether the government is even prepared to acknowledge that it perhaps needs to change its ways and learn to come down with a budget at the beginning of the year that it is going to stick to.

If this were the budget that any one of us in this House were drawing up for our own family, Mr. Chairman, outside of the possibility that sometime during the fiscal or calendar year of our family's existence somebody in the family might get a little bit of an increase in their pay, though I doubt that's going to happen in very many cases, in very many families in Alberta over the course of the next 12 months, we would have to create a budget that did the best job we could of projecting what our costs and our expenses were going to be over the next 12 months as against what our income was going to be over the next 12 months, and we would have to stick to that.

Thank you, Mr. Chairman.

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

Mr. Snelgrove: Thank you, Mr. Chairman. I guess, to follow the logic, if you don't want to come back here and monitor the expenditures you've set out for departments, you just give them more than they need. You just write cheques until they absolutely don't have to come and see you. We'll say: see you next year. We could get our spending up to \$50 billion, but we won't have to come back here and hold departments to account for changing their spending.

So there's a method. You can say: let's budget tight. Let's think in perfect circumstances that the ship sails along fine and we don't have to come back. But in a situation like most governments are in and certainly most provinces are in, the chances are that the circumstances you set out with in the spring aren't going to be exactly the same year-round, nor are the needs and the demands of the different departments, and the interrelationship between some of the departments certainly needs to be understood better.

I have two kids in college myself, and I know that if I don't have them coming back looking for money, I've given them too much money. It's pretty simple. How their mother and I keep track of them as best we can is to make sure that there is a definite need in the pocket of the college kid. I make no apologies for being a bit of a skintight with that.

The hon. member asked about what we are doing. Two years ago we set forth on value reviews, making departments work together, trying to understand things they may do that may have costs in other departments or things that they could do better to actually deliver what we're trying to do better to the people, doing it more efficiently by identifying overlaps and lapses. This is a very good example of where the Premier allowed us to create the safe communities fund, which demanded that all relevant departments had to come back for money to the issue. Instead of just automatically increasing the baseline funding to all departments, who may have some kind of an influence on how we solve some of the crime and addictions and drug and gang issues we've got, we said, "Here's the issue. Here's the money. Come to us with good ideas, and we'll make sure that we're getting value for our money as we address it," as opposed to the old form of just raise the base and measure it at the end of the year.

We've also put together in this government ministerial working groups, which are very effective at making sure that our policies and programs go forward in a very synced method, so that Energy and Environment and Aboriginal Relations and Treasury all understand where the energy programs and the environmental programs fit together. I can quite proudly say that this started two years ago. So as we have to address the obvious change in our financial situation, we have benefited greatly from some of the work of our Premier and the ministers that have been involved.

I make no apologies for having departments come back to account to this House for the dollars that have been either transferred from

department to department or have been required for special circumstances that have arisen. I would think the hon. member would appreciate that the accounting systems, the accounting responsibilities in this province are second to none and that he should probably appreciate the fact that even down to the \$740,000 that the Solicitor General got, he gets to come back and comment on it.

I don't get his point that we've done nothing. It's a political argument that, of course, he would do better, but it sounds like his better would be to write the cheque so big that no department would have to come back.

The Chair: The hon. Minister of Agriculture and Rural Development.

Agriculture and Rural Development

Mr. Groeneveld: Thank you, Mr. Chairman. A very interesting and quite a theatrical opening we had here; however, we're not in a theatre here today.

An Hon. Member: Great.

Mr. Groeneveld: Yeah, it would be nice.

I'm certainly pleased to speak about this government's ongoing commitment to Alberta's agriculture and food industry. Mr. Chairman, in 2008 this government responded to the challenges facing the livestock industry by creating the Alberta farm recovery plan. This plan saw the distribution of \$165 million to all Alberta livestock producers to help them to cope with the disaster as a result of increased input costs.

What is before you today relates to the original Alberta farm recovery plan, where producers already enrolled in the CAIS program were automatically registered and those that were not had until December 2007 to apply. I'm pleased to share that a significant number of livestock producers were helped through the AFRP program 1, considerably more, in fact, than we expected, which is a good thing.

3:10

However, our cost estimates for the program were based on the number of producers who participate in the CAIS program and the information provided at that time. The number of new participants and the extent of revision requests to change livestock numbers after the announcement far exceeded our expectation. Instead of getting the additional 1,000 new claims that we projected, we received 3,600, and almost a third of the 16,500 total claims we received had to be revised due to producers adjusting their information, which resulted in cost increases under the plan. As a result, we require \$70 million more to cover the benefits to those additional producers who are eligible.

Originally we expected that this increase might be offset by a reduction in claims under the AgriStability program due to unprecedented increases in commodity prices in 2008. However, the economic downturn resulted in a steep decline instead. Moreover, we had one of the worst years in terms of crop losses due to hail storms. As a matter of fact, it was the worst year ever recorded at AFSC. As such, adequate funding is not available this year through AFSC.

Mr. Chairman, agriculture is the backbone of our province, and it's imperative that we support livestock producers through the challenging times. We are pleased that so many were able to benefit from the first AFRP program because it was a resounding success, ensuring that they and their families were able to weather the storm of rising costs.

The hon. member across has left the room, but I apologize that we in ag, I guess, don't have a crystal ball to look into to tell the future or, more importantly, a crystal ball to tell what the weather is going to be. I know he talked about a plan, and he always talks about a plan. Maybe that particular member could come up with a plan that would control the weather for the next five years. I would love to sit down with him and see where we could get to with this type of plan. However, we have no such luxury in this world.

Under these circumstances, Mr. Chairman, I am requesting you to favourably consider the request for the supplementary budget.

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

Dr. Taft: Thank you, Mr. Chairman. I appreciated the comments, at least most of the comments, from the minister. We're looking here at an additional \$70 million for the farm recovery program. I think it's really worth emphasizing that this is actually a supplement not to this year's expenditures but to the '07-08 benefit year. So it's kind of an unusual situation, where we have this amount of money that's being requested for a program for a budget year that has actually been behind us for 10 or 11 months.

I'm concerned, as I think probably an awful number of Albertans are concerned, that no matter how many years go by, no matter how many promises are made, that, well, with just one more year of support, one more round of support, the agriculture sector will not need subsidies anymore, will not need supports anymore.

I don't think anybody takes issue with insurance sorts of programs, like hail insurance or other programs like that, but we're talking here about a lot of money. We talk every year about a lot of money for farmers. I don't dispute that farmers play an important role. Obviously, they're a vital part of our society, but I know that an awful lot of Albertans wonder: when is this flow of subsidies to the agriculture sector going to peter out; when is it going to come to an end? They flow to this sector in a way that they don't flow to any other sector. They don't flow to the housing sector, even though housing is a necessity. They don't flow to other sectors nearly as much.

There is a broad social concern out there that somehow or another we need to figure this out. You know what? It's a concern shared by an awful lot of farmers. Farmers I speak to often say that they don't want to be taking this money; they wish the system didn't work this way. Maybe it's a necessity of living in a world where many of our agricultural competitors subsidize their farmers – the Americans, the Europeans, the Japanese, and so on – so we just have to play that game, and maybe we're caught in that dynamic. I do want to get on the record the ongoing concern of an awful lot of Albertans that payments of one kind or another to the agriculture sector are unending, and it would be nice to get to a point where they didn't need to occur quite so much.

I am concerned by the nature of this particular \$70 million request because under the Alberta farm recovery plan announced a year and a half ago almost, there was \$165 million allocated, and that was expected to be enough. We then see that's \$165 million just for phase 1, and we see \$70 million more coming on top of that. The minister tried to explain that, and he gave a sincere explanation, but it does raise questions about how the program is managed. We're talking about an overrun in estimated budget of 40 per cent or perhaps more than 40 per cent. That's a pretty major overrun for a government program, and inevitably it asks questions about how the program is designed and managed and evaluated. A 40 per cent overrun on anything ought to raise very serious questions.

So it would be good to hear from the minister some reassurance, some explanation, some commitment to holding the line because if

there's a 40 per cent overrun in phase 2 of this program, it's going to be a much bigger number. I don't know if the minister would be prepared to address the question around what assurance he can give this Assembly that there won't be a similar overrun on phase 2 of the Alberta farm recovery plan. Are there provisions in place? Are there safeguards that have been implemented since phase 1 so that phase 2 won't go 40 per cent over budget?

Does the minister want to respond now? I appreciate that. Thanks.

The Chair: The hon. Minister of Agriculture and Rural Development.

Mr. Groeneveld: Well, thank you, Mr. Chairman. I appreciate the comments made by the hon. Member for Edmonton-Riverview, and I certainly have no quarrel with what he said. Farming, I guess, is a gamble right from day one. I don't have to explain that to you or anyone here. It doesn't matter what portion of farming we get into. That's the nature of the beast, and it's a pretty hard one to tame.

You did hit the nail on the head somewhat when you talked about the subsidies from other countries. If we could get the WTO issues settled, that I think would certainly help us. The overrun, of course, as you correctly identified, comes from the '07 program, and the weather played a big portion of that. We thought we probably had it covered quite easily, which we usually do, but the hail issue pretty much depleted our fund.

Probably the bigger issue is the number of producers out there that we never knew were out there. I can honestly say that it concerns me very much because we had to take the numbers from the CAIS program, which we struggle with at the best of times. We knew that there would be more than that, but we didn't know how many more than that. Unfortunately for us, the Canadian Cattle Identification Agency knows how many cattle are out there, but because of the – what do you call it? – secrecy or whatever issues . . .

3:20

Mr. Rodney: Privacy.

Mr. Groeneveld: Privacy issues. That's the one.

. . . they won't share those numbers with us. Had they done that, we would have known. Hence the \$70 million overrun.

Probably more important yet are the AFRP numbers of this particular year, which are no secret: we put out \$300 million. Three hundred million dollars it is. We put out \$200 million more on the first. We thought we were going to do \$150 million and \$150 million. There were more subscribers, particularly on the hog side, but we paid out \$200 million on the first portion. All that's left in that kitty is \$100 million, which we are sending out in March at this time. So there'll be no overruns this year. That's the number. We prorated and divvied the money up accordingly. I can pretty much guarantee you that that particular program will not be back. Because of the nature of the beast of agriculture, something else may jump up and bite me. I don't know. But that program will be done when we're paid out.

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

Dr. Taft: Thank you. I appreciate the comments and the response from the minister. One of the questions I think from comments I've read of the minister that has come to his mind – it has come to my mind – is a fundamental one about the balance between supply and demand. We in Alberta have a huge productive capacity, produce a huge supply of red meat. There are questions to be made when

that sector needs this kind of support that maybe it's just too big. Maybe it's producing more than it can sell at a profit. And then when it can't sell it at a profit, it turns to us to pay the difference.

I would be interested to hear if the minister or this government has any strategy for managing the productive capacity of the red meat industry, for limiting the productive capacity, for saying: "Okay. Enough cattle being produced. You're producing yourselves to bankruptcy, and we're tired of picking up the pieces." Or not. Maybe the whole idea is just to stimulate this industry until there is even more cattle and even more hogs. I don't know. But is there a strategic way that this government foresees to bring the balance of supply and demand into closer alignment?

The Chair: The hon. minister.

Mr. Groeneveld: Thank you, Mr. Chairman. I appreciate those questions because, you know, we wrestle with that problem all the time. The truth of the matter is – you made it easier for me because you reduced it to beef production – that we in Alberta supply over 60 per cent of the Canadian beef that is consumed or exported. Indeed, there's no way we can eat our way out of this problem. Unfortunately, our neighbours to the south, they can do that.

An Hon. Member: I try.

Mr. Groeneveld: Yeah, it appears that we do sometimes, too.

The BSE crisis, you know, was a big reason for the big bulge in cattle numbers in the country because there was no place to ship them out. So breeding stock that should have been culled and disposed of stayed and reproduced with the rest of it. It's interesting to note that I think we're down about 10 per cent in Canada, particularly in Alberta, this year already, which does help the situation. But what you were kind of referring to was, you know, should it be smaller?

I'm glad you didn't say the words "supply management" for beef because I don't ever want to go there with beef. It's a big portion of Alberta's export market and should be making money as an export market. As you know, supply management, we would have to go out and tell probably 60 per cent of our producers: either cut your herd by 60 per cent or 60 per cent of you will have to go out of business. We don't want to go there, and I don't think you were intending that that was the nature of the beast at all.

We've talked about it in the House here, and you people across have mentioned the Alberta livestock and meat strategy, which, hopefully, is going to start to address that problem. I'm trying to assist personally by going overseas and getting some market access. I'm proud to say that Minister Ritz probably has done that in Hong Kong, particularly because we in Alberta have been there twice. We knew that they were going to offer him that before he ever got there. The trick was pushing him there, to get him there and get that done. I dare say that if he would go to China and Japan, I think we could get the same. Although it's only incremental, it certainly would help the whole process. That's where we're trying to go.

We've got to take charge of our own industry in the red meat industry. You're absolutely right; we haven't done that. When you start putting out ad hoc programs, eventually the entitlement sort of creeps in there and distorts the whole issue. I think probably I'm pleased that the Treasury Board has said: "Lookit. You have these X many dollars for AFRP 2, but that's it. Come up with a long-term plan." They said: don't bother coming back here. Now, we're endeavoring to do that with the Alberta livestock and meat strategy. Hopefully, we're going to see some gains within the next year. It

will be incremental, but we have to get so that we're self-sufficient in there.

Hopefully, that answers some of your concerns.

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

Dr. Taft: Thank you, Mr. Chairman. Again, I appreciate the candid discussion with the minister.

Of this \$70 million that we're being asked to approve here in supplementary expenditures, the level of detail provided is, frankly, pretty limited, as is normal in the reports we get. I'm looking at page 15 of the estimates. I'm just wondering about the \$70 million. It's a remarkably round number, which always is curious to see something quite so exact for an expenditure, and I'm wondering if we can get any more detail on that \$70 million. Is some of it for administration? Will it all flow through to farmers? I mean, how did we end up with exactly to the last penny \$70 million in this vote? How does it break down? Can we get some detail?

Thank you.

The Chair: The hon. minister.

Mr. Groeneveld: Well, thank you, Mr. Chairman. Yes, there is a reasonably good answer for that. It's because these programs, of course, we run through the business risk management suite of programs that are already there. We run them through those programs because if we just made ad hoc payments, we would be, you know, in danger of having countervail. We don't want to run that risk. We don't want that border shut off a hundred per cent.

What we actually do is run it through the AFSC, you know, lending institute. In some cases, we can rob Peter to pay Paul. I guess it's kind of a bad analogy, but we do that, and that's what I said. We had hoped to cover this off with some of the hail premiums and whatnot – and farmers are quite happy to see us work it that way – but we got that account cleaned out this year. There is a certain amount of administration, very, very little administration cost because we do run it through our own program at AFSC. So, you know, to sit there and say that there isn't some administration cost – but the farmer virtually gets all the money. In the last program, AFRP 2, of the \$300 million AFSC charged no administration costs. All of those dollars went to the farmer.

3:30

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

Dr. Taft: Thank you. You know, I appreciate the exchange with the minister. I'm going to have to read that last response from him because I'm not sure I quite followed it all. I mean, in general I understood that the very, very large majority of this is going to flow through to farmers. It would be interesting to know a little bit of detail: how many and what the average payment is, that sort of thing. None of that detail is here, so it's a little bit hard to hold government to account, to be honest with you.

I think I'll wrap up my comments here by just reiterating some of the concerns from the Member for Calgary-Currie. We're in an Assembly where it has become the habit of the government to come back, a couple of times anyways, to augment the budget. It's not a great way to run the organization, despite the comments from the President of the Treasury Board earlier. Certainly, if there's an unforeseen disaster – you know, I remember a few years ago there was a catastrophic fire season, and almost six years ago now, I think, there was the BSE crisis. Okay. In those circumstances we understand. It's hard to accept that all of this was some kind of an

emergency – and I'm not just meaning the \$70 million; I'm meaning the whole thing – that twice all of this was unforeseen.

Is it, in fact, the product of a government that has become a bit complacent? I describe it sometimes as a latte attitude: you know, when there's just too much money in somebody's pockets and you stop paying attention to the quarters and the loonies, and you go into a coffee shop and you end up spending five bucks on a cup of coffee. You don't think about it because, you know, you've developed that latte attitude, when in fact it's still the taxpayers' money. There's nothing wrong with \$1.49 for a Tim Hortons coffee instead of five bucks for a fancy latte.

I'm concerned that in general we have a government that outspends all others. We have a leader of that government who has actually boasted in this Assembly about being the highest spending government in the country. When that tone is set from the top, it becomes very casual and relaxed. They just keep coming back: "Well, we blew through the budget; we'll come back for more. Oh, we blew through that extension; we'll be back for another one." I'm really hoping that if there's one benefit at least to a tightening of the global economic scene, it's an attitude from government that returns to a bit more pinching of the pennies.

I've said in this Assembly a number of times that I was working in the public service in the 1980s when there was a real belt-tightening. It became a career move for a public servant to allow their budget to overrun more than 1 or 2 per cent, and it was not a favourable career move. If you were charged with a program that cost \$100 million and you were over by, you know, \$3 million and had to come back, it was a pretty unpleasant scene. I think we need to return to some of that sort of discipline or else we're going to spend our way into a real mess. Value for money is the issue here.

People understand, I hope, that when we were taking the government to task 10 years ago for spending too little and we were saying that you've got to spend more, it was a matter of understanding that for a modern society governments do have a significant role to play, and you can spend too little. You can spend too little on your health system, your education system, or your infrastructure. But you can also spend too much. We're in a government that in 1986 spent the most in the country per person, in 1996 spent the least in the country per person, is now back up to spending the most. That's no way – no way – to run an efficient system in the long term.

I just wanted to get those kinds of comments on the record, Mr. Chairman, because the habit that I've seen this government develop of repeated supplementary supplies raises serious flags for me as a taxpayer and as somebody who is trying to hold this budget to account. I do appreciate, once again, the comments from the minister. I hope we can tame some of these tigers. Maybe we can't tame the weather, but we can tame some of the other issues, and I'm happy to try to help out.

Thank you.

The Chair: The hon. minister.

Mr. Groeneveld: Thank you, Mr. Chairman. Certainly, I understand that the hon. member was taking a broader stroke at the rest of the government, other than agriculture, in his last comments. I think, probably, that when you look at the total number we're talking about today, agriculture is by far the largest part of the request. I think the hon. member across actually voted with us last year.

We are now putting in a cattle insurance program that will take out some of this risk. The cattle producers, all of them that are involved – but it's going to be incremental, whether it's going to be feeders or cow-calf operators – will be able to participate in livestock insurance in which they will have to pay a premium as

well. I think they are going to welcome that, and that's going to help our big swings. As the hon. member says, we can't control the weather and whatnot. We're going to try this. I think that the important part to note in the estimates here today is that agriculture is the largest part of that. So I think that as a government we're doing very well getting the whole issue under control.

The Chair: Who of you wishes to speak on agriculture? The hon. Member for Edmonton-Strathcona on Agriculture and Rural Development.

Ms Notley: Thank you. I appreciate the opportunity to join the debate on the supplementary estimates and, at this point in particular, with respect to the requested addition of \$70 million to the department of agriculture's budget. There are a number of points that have been covered to some extent with respect to this additional \$70 million. I'm afraid that to some extent I may be asking one or two of the questions again, but I think we could actually use a little bit more clarity of explanation with what occurred with respect to the Alberta farm recovery plan 1 in the 2007-08 year.

Before we get to that, though, I would just like to talk a little bit more globally, as has already happened, with respect to the issue of the beef market in the world and the role that our beef industry plays in it and how we can play a role in terms of enhancing the profitability opportunities of many of our producers in Alberta. I certainly understand that there is a need for us to establish and develop a market and to diversify our market as much as possible so that there are greater opportunities for our producers outside of Alberta. There's a certain degree to which the efforts in that regard can be supported.

I also, however, think that one of the other factors and processes that seems to impact what our producers are actually getting for their beef is the structure of the industry in Alberta and the way in which many of the packing companies and packing plants are able to exercise more control than one might expect in the classic Conservatives'/Liberals' view of the free market.

3:40

In particular, I refer to the fact, for instance, that just yesterday, I believe it was, one of the major packing plant companies, XL Foods, bought Tyson, so now we basically have XL and Cargill. Those are the only two packers in Alberta that are buying the beef. Then, of course, Tyson and Cargill have many, many feedlots, so they're able to play around with the amount of cattle that go to the auction mart on any given day in order to impact the price that the small producer is getting when they get to the auction mart. This in effect creates a very unhealthy monopoly which greatly benefits one player in the industry and greatly compromises the success of the other player in the industry. I believe that the other player is actually a player that, you know, this government historically has aligned its interests with and had great support for, which is, of course, the small beef producer, the farmer, the Albertan who lives and makes a living in rural Alberta.

I note with interest – and people probably get a little bit tired of us every now and then, particularly very recently, over the last month, when we have been inclined to refer to the United States with a whole new level of respect, and again I'm going to do it – that President Obama has in fact reviewed this issue of vertical integration within the agriculture industry and in particular with respect to the beef industry and is considering legislation to ban that kind of vertical integration and to ban the packing plants from being able to also have feedlots and, therefore, manipulate the market and manipulate the price that the local producer is receiving.

I think that that's not by any means the only answer. I do think that there is an issue with respect to expanding our market. I absolutely think that that's the case, but I don't think that that's the only issue. I think that we need to be wise when it comes to making sure that the process that we are subjecting our own citizens to is as fair and as balanced as possible. I think we've got lots of examples out there. Even the biggest supporters of the free market will acknowledge that every now and then corporate concentration and the concept of monopolies grows so significantly that the free market has lost its ability to fairly compensate those who are operating within it. In terms of the global kinds of ideas that were already being discussed, I want to make that point.

With respect to the extra \$70 million in AFRP 1 I think it has already been noted that we're basically looking at roughly a 40 per cent increase there. There's no question that that is rather significant. Apart from some of the comments on what I just offered, I'd also be interested in hearing from the minister – and I know that he did already answer this question once, but I think I actually heard that there was a desire to get a little bit more detail on it; certainly, I wasn't able to catch everything – just a little bit more of an explanation beyond that which we see in these documents around how it is that we went from what was \$160 million to an additional \$70 million in terms of how that plan operated and what pieces of the calculation resulted in the amount going up so much. Was it simply a question of more applications, or were there changes in the calculations as a result of external forces that resulted in more money going to individual applicants?

If I could get a few answers to those questions, that would be very helpful. Thank you.

The Chair: The hon. minister.

Mr. Groeneveld: Well, thank you, Mr. Chairman. It's unfortunate the member opposite wasn't here when I gave my opening statements because those questions have been answered, and of course the hon. Member for Edmonton-Riverview asked those same questions. I guess I'll take the time in the House to reanswer them.

A couple of comments. We are changing our industry. Some of the concerns you bring up I'm not going to address in detail because there are other issues that we have to deal with today.

The Alberta livestock and meat strategy is intended exactly for that, to make some changes out there, and they will make some changes out there.

On your comment about XL beef and Cargill and trying to limit what they can do, particularly maybe with feeder cattle – I think that was your main point – that has certainly been tried in various states in the United States. They've tried to legislate it that they can't own cattle, and it's failed miserably. If you think about it very closely, you can see how easy it would be to get around that and how you would control that. It didn't work.

President Obama certainly is saying some of the right things, but let's not forget that the truth of the matter is that a Democratic government is traditionally a very protectionist government. If you look at what's happening with the MCOOL issue right now and if you've been following that, hon. member, very closely, what President Obama said when he was in Canada differs very much from what his Secretary of Agriculture is actually doing. Who's going to win that battle I'm not sure. I hope the President does.

I'm sure you've heard of the R-CALF group south of the border, that love what's happening out there. Their entire mission is to stop all cattle from coming out of Canada. So we've got to be very careful about how we start to criticize in this case XL and Cargill and try and limit them. If we drove them out of Canada right now,

which wouldn't take a whole lot to do, to be honest with you – I'm not so sure how much money they're making doing what they're doing right now – then we have a big problem, a huge problem.

I will address your last questions there. I'm just going to go over it very roughly because we've dealt with it, and you can read it in *Hansard* as well. The issue was that there were 4,600 cattle people out there that we didn't realize were going to qualify for the AFRP program, the first one. That changed our numbers dramatically because we didn't have a ceiling on how much was going to go out that time.

The other issue with it, of course: traditionally out of our crop insurance programs there's an excess of money that probably could cover a lot of that deficit that was in there. As I said before, 2008 was the worst hail year that we've ever recorded through AFSC in Alberta. That completely wiped out our crop insurance kitty, I guess you might say. Those were the two combinations that hit us right between the eyes that took us to the \$70 million.

As I said to the hon. member before – you know, I haven't said this, but he brought this up – I guess that if you wanted specificity, actually, on where the dollars went, we have nothing to hide there. We could probably find those numbers for you if you wanted.

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

3:50

Dr. Taft: Thanks, Mr. Chairman. This will probably be my last question for the minister today. [interjections] Given the applause maybe people want me to ask more. I don't know.

One of the questions, of course, that comes up is: is there anything that the minister or the department considered coming to the table for and didn't? Or even – and this has to be put in context with my previous comments about sticking to the budget – are there pressing issues that ought to be here that aren't? There is one in particular that comes into my mind – and that responsibility is shared between this minister's department and the Minister of Health and Wellness – and that is food safety issues. Of course, there's been serious national concern about food safety because of the problems at the Maple Leaf plant and elsewhere, and there are serious global issues around food safety because of exports out of China and other issues like that. The food safety system in Canada and in Alberta has come under some serious question, and it is an area where I think that even those of us who are the tightest of tightwads would say that, you know, good food safety is worth a bit of expenditure.

I am raising this issue in part because the Auditor General has had to defer some of his work on the food safety system and following up on food safety audits. I would just look for the minister's comments on whether he is satisfied that the food safety resources of his department are adequate and if they are supported by other activities elsewhere in the government in other departments. Particularly, since we've been focusing on red meat issues, are there any food safety matters that ought to be addressed that aren't being addressed through this particular budget expenditure?

Thank you.

The Chair: The hon. minister.

Mr. Groeneveld: Well, thank you, Mr. Chairman. A timely question indeed. Food safety is probably the most important issue out there for all producers and consumers. Of course, if the consumers aren't happy, the producers are not going to be happy. I was in Asia. That was after they told us that the price of our beef is too high. They always tell you that. That's their opening statement in every country you go to, but that's just normal procedure. But

then it's food safety. It's absolutely food safety. Even in China, with their consciousness of what happened with the milk issue last year and their reputation, they talk about that as the number one issue.

To answer your question, we certainly have not made any cuts in funding for the inspectors that we have here in Alberta. As you're fully aware, of course, we have two types. We have the federally inspected plants and the provincially inspected plants. Absolutely, we've been stepping up that process, and I can guarantee you that we are not going to cut the dollars back in that area because it's something I'm after my people all the time about. That, as I said here, is the number one issue.

If we want to really have a problem in this world, it's to have some of the issues that came up with the Maple Leaf situation and whatnot, so we're constantly working with the CFIA. If I had my druthers in this world, I would like to bring all the standards up to the same height. I'm not so sure about us in Alberta. We would have to change some of the facilities a little, but the standards are just as high or maybe higher even than the federal ones. Some of the conditions in the facilities are a little more stringent maybe under the federal program, and it would be quite costly, but we monitor them very closely to make sure that they're within the guidelines. Rest assured that we're not going to cut back in that area. There are times when you spend money wisely, and there are times when you should tighten the belt, as the minister said, but that's not going to be one area we're going to do it in, that's for sure.

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

Mr. Taylor: Thank you, Mr. Chairman. There are other areas that, obviously, we want to go to and ask questions about and other ministers and ministries that we would like to ask some questions of, and we will do so as we carry on with debate this afternoon.

I'd like to return for a few minutes, if we could, to some of the comments that the President of Treasury Board made in response to my remarks. I don't know if he was confused, if he misheard me, if he doesn't speak Liberal, or exactly what his problem was. He seemed to get out of my remarks or seemed to want to leave the impression that he got out of my remarks – and I'm sure that if he really wants to leave that impression, you can cherry-pick the comments that we all make that are recorded in *Hansard* and, you know, take out a little portion and put it on your website or whatever to make up what you will – that I had somehow said in my remarks about the spending habits and the budgeting habits of this government that if I had my druthers, I'd just cut everybody a big fat cheque and I'd spend \$50 billion, I think was the number he used, that I wouldn't hold anybody to account, and that he had two kids in college, too, just like I do, and he wants them to come back and ask for more money because that's how he keeps a rein on their spending. I refer back to what I said before, that our preferred approach was to actually teach the kids how to budget.

Mr. Chairman, the notion that I want to spend or that we want to spend on this side of the House \$50 billion a year I think couldn't be further from the truth unless there is a way to justify spending \$50 billion a year or any number – \$5 billion a year, \$500 billion a year, whatever the number is – so that you can justify it on the front end and account for it all the way through to the end of the fiscal year.

When you start out the fiscal year with your budget, that's what you have to spend, more or less, and you've got to live within those means. If you're only making X number of dollars a year in income, then that's what you've got to play with. Out of that, you've got to set some aside for saving and investments, you've got to set some aside as appropriate to your own situation to pay your debts, and

you've got to cover your monthly and your daily obligations with the rest of it. You've got to find the money from time to time to put on a new roof, to redo the bathroom, whatever kind of repairs the house requires, but you've got to do it within those means.

We all understand, Mr. Chairman, at least all of us except perhaps the President of the Treasury Board – he didn't seem to get it in his response to what I had to say. Most of us in this House understand that over the course of a 12-month period, be it a fiscal year or a calendar year, your situation may change, your priority may change, that priorities may change. That may be due to circumstances under your own control; it may be due to circumstances completely beyond your control. Think of the thousands of Albertans who started out 2008 thinking that things were looking really good and ended 2008 on the unemployment lines. It happens. That's a dramatic example perhaps, but it happens.

Circumstances change. Halfway through the year you need a plumber for a major plumbing repair that you weren't anticipating at the beginning of the year. Something else comes up, major car repairs, something like that. You've got to find the money to do those things, but you have to find that money by taking it from someplace else where you thought you would spend the money if you got the opportunity. It's called reallocation.

Within the context of \$37 billion plus a billion on the first go-round of supplementary supply plus another hundred million in loose change on this go-round of supplementary supply – and who knows what's coming down the pike on April 7, Mr. Chairman? – common sense dictates that there has to be room for some reallocation. Common sense dictates that if we're going into troubled times and given that the finance minister is already on record as saying that we will run a deficit next year, I guess we will be debating, when it's time for the budget debate, the size of the deficit that you need to prioritize your spending requirements and reallocate money from things that you don't need to spend the money on to things that you do need to spend the money on.

4:00

That is a far cry, Mr. Chairman, from, you know, saying that there's some mythical figure that I'm going to pull out of the air here or somebody else is going to pull out of the air here and say: we'll just write cheques *holus-bolus* till we hit that amount, and we won't require anybody to be accountable. Quite the contrary. What is required, what is necessary, what we are not seeing from this government is that kind of accountability.

The President of the Treasury Board says that the way he keeps his kids accountable is by not giving them enough money so that they have to come back and ask for more so he can check up on them. Well, you know, I'd support three, four supplementary supply debates a year if I really honestly felt that that's what we were doing. If we were starting out with a budget of \$25 billion or \$20 billion or \$15 billion for the year, and we knew it wasn't going to be enough and we were going to require everybody come back to the House in three months and say, "Okay, this is what we did for the last three months; now we need to do it again" – it's a lot of extra work, I suppose, doing all that debating – I might be supportive of that kind of supplementary supply debate with these kinds of supplementary supply estimates. But, no, we start with \$37 billion and then just pile onto that. That, Mr. Chairman, was my point.

I don't know if these comments of mine are going to elicit a response at this time or not, Mr. Chairman. I will leave it up to the members opposite to decide on that. But I wanted to get that on the record, and now I'm prepared to turn it over to others who want to probe the specifics of some of the supplementary estimates here with some of the ministries and ministers we haven't talked to yet.

Thank you.

The Chair: The hon. Minister of Employment and Immigration.

Employment and Immigration

Mr. Goudreau: Well, thank you very much, Mr. Chairman. We're one of the ministries that is requesting an additional \$49.7 million. When the economic downturn hit Alberta, our caseloads went up in a number of areas. Nobody was able to foresee that those things would happen with the dramatic change in the economy, and we are responding to the changing conditions.

Mr. Chairman, our unemployment levels a few months ago were at 3.7 per cent. Then a month later they had moved up to 4.1 per cent and eventually 4.4 per cent. We're predicting, and I think that the key thing here is trying to anticipate in the future what our numbers might be. Nonetheless, with more Albertans getting laid off, we've seen an increased utilization of our programs, the Alberta Works employment and training programs. These programs help unemployed people find and keep their jobs and adapt to changing labour conditions. To do this, we work with people very much on an individual basis and match them up with employment or training according to their unique skills and their unique needs. Increased use of these programs accounts for \$8.3 million in additional funding that was required.

Our caseloads, as well, for income supports were also higher than originally anticipated, requiring an additional funding of \$31.5 million. The biggest caseload increase, Mr. Chairman, was in the category of people that were expected to work, which can be expected given the number of layoffs that we've seen over the last few months. Our caseloads for people expected to work have increased from 14,200 families in January of 2008 to close to 17,000 families in January of this year. So we've seen about increase of 3,000 in our caseload. Unfortunately, it looks like those numbers seem to want to continue to rise.

We've also seen increased utilization of our health benefit programs, which include the Alberta child health benefit and the Alberta adult health benefit as well as health benefits for people on income supports. These benefits provide low-income Albertans and their families with medical benefits they would not otherwise be able to access such as prescriptions or drugs or glasses and dental care. These programs require an additional \$15.8 million in funding.

The increased costs I've outlined amount to just over \$55 million. We've carefully reviewed our spending and found some administrative areas where we could cut back, and we've reduced our spending in those areas by about \$5.5 million. Mr. Chairman, Employment and Immigration is requesting the remaining \$49.7 million to go towards these programs. The economic downturn has impacted many Albertans, and these support programs are imperative in helping them through these difficult times.

Mr. Chairman, I'm prepared to respond to some questions.

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

Mr. MacDonald: Yes. Thank you very much. I appreciate those comments from the Minister of Employment and Immigration. Certainly, if we look at the monthly economic review issued by the department, we can see first-hand the changing economic conditions in the province and the unemployment levels, whether they are in Calgary or Edmonton or throughout the entire province. We see for January 2009 an unemployment level of 93,500 citizens or workers. That's a yearly change of 25,000. It's significant. We look at youth employment. We look at male unemployment, female unemployment. Youth unemployment is now close to 10 per cent. It's 9.8 per cent. We look at the construction sector. We look at transportation

and warehousing, manufacturing, mining, and oil and gas extraction. There have been some rather quick increases in the number of unemployed workers.

I can understand and have significant sympathy for the minister. I look at the last annual report for the department, and we can see significant overexpenditures in other areas in program spending. They vary in amounts from \$6 million to \$2 million, \$3 million, \$4.7 million, so there is certainly a need for this supplementary supply. I look at the past annual report, which I just made reference to, Mr. Chairman, and one would have to think that perhaps this program is one of the ones that is chronically underfunded. I hope that's not the case.

Certainly, when we have a look at this amount of money, \$50 million, it's just about the same amount that we put into subsidies to the horse-racing industry through grants. If economic conditions were really tight, it's certainly one program – and I'm speaking specifically about horse racing – that could be scratched, as they say, and the money put into the minister's request. If money was an issue, certainly that's one place that I would encourage the government to look if we were not able to provide employment and training programs or health benefits or income supports for those who for one reason or another could not, if they wanted to, work for any length of time.

Now, could the minister explain in detail what higher contract costs are involved in the \$8.2 million request for employment and training programs? I know the Auditor General had some things to say, Mr. Chairman, about some of the training programs and the responsibilities of the training providers and the performance expectations of training providers. Is this \$8.2 million amount in any way a reflection of the Auditor General's report from October 2008 and complying with that report?

4:10

Now, the client numbers. What increases have we seen? In what areas of the province?

The case management fees. I would be interested in a detailed explanation of those case management fees, please, and also the \$15.8 million for health benefits due to higher caseloads and cost per case. Where, again, are these higher caseloads occurring? Is it in rural Alberta? Is it in Fort McMurray? Is it in Grande Prairie or Edmonton and Calgary, in metro regions? Again, the cost per case, why at this time is that going up? Is that due to prescription drug costs? If we could have some details from the hon. minister on the \$31.4 million request for income supports due to higher caseloads and cost per case, Mr. Chairman, I would be very grateful.

The Chair: The hon. minister.

Mr. Goudreau: Well, thank you very much for those questions and the comments. My first comment is that this province is certainly not immune to the world-wide changes that are occurring out there. The changes in economic conditions certainly are affecting us although maybe less than a lot of other jurisdictions across Canada, other provinces, and other countries around the world, including the U.S. There's no doubt that our unemployment levels are trending upwards, and we're seeing that right across most jurisdictions. The member is right. Individuals that tend to be laid off first are those individuals that maybe have the least education. They tend to be our youth, naturally. There's always a challenge with the aboriginal community and those that are trying to participate in the workforce in the province of Alberta.

The member did allude to the fact that there were certain industries that are harder hit. There's no doubt that the forestry industry,

the construction industry, the oil and gas industry: there's a number there that are hit hard. Some individuals have been able to move on to other jobs, and they've been able to be retrained to be able to accept different responsibilities, so they've been absorbed in other areas. We still have in this province a number of areas where we still have a shortage of people. I'm thinking specifically of those areas in the tourism industry, the hospitality industry – our hotels, our restaurants – as well as in the health industry as well as other areas, including engineers in certain parts of the province, where we still identify a strong shortage.

Although on one side we're seeing an increase in unemployment levels, we're seeing still a demand on the other side. Overall as a province we're faring better than others although as was indicated, our numbers are trending towards higher unemployment levels.

The question was asked about training programs and the increasing cost there. There's no doubt that because of more people coming to us, we are experiencing more people requesting additional support and a lot of the other benefits as well as an increasing need for more training for more individuals. I think the member is alluding to the fact that there was a request from the Auditor General that we monitor maybe a little closer the results of our training programs. We're not adding more money to do that. We're in fact adding more money to train more people.

On the health benefits side we're working very, very closely with our federal people, Revenue Canada. As they're issuing cheques to our lower income families, there's also notice being placed in there where individual members and family members are being made aware of some of the additional supports they can get from my ministry. So we're doing a much better job of reaching out to more people. We've identified more people. We're doing better contacts with individuals and, no doubt, are getting more people qualifying for a lot of the benefits that we are offering.

Just a quick comment on horse racing. I see horse racing as a benefit to the province whereby the revenues generate more funds for the province. They're not a cost to us. They provide additional dollars to our overall budgets, and some of these dollars are channelled to meet some of the needs that we have as a particular province.

The hon. members will realize that we did some increases to income support in 2008. That was an across-the-board rate increase. We did that in the fall of 2008. We increased the amount of money that single people can earn while receiving full benefits. So we're working to help people in need. We've increased the availability of total dollars that individuals can qualify for. We've brought up our rates for those that are learners, for people that are expected to work or who are working, and, as well, for people who are not expected to work. Aside from increased levels of support, we're getting increased numbers of individuals that require our support.

The Chair: The hon. member.

Mr. MacDonald: Yes. I appreciate that from the hon. minister.

Now, I have a question specific to the Alberta child health benefit and the Alberta adult health benefit. They are part of that \$15.8 million request. I'm right, I believe, in assuming that in 2007-08, last year, on a monthly average almost 8,000 Albertans, or 3,722 households, received the Alberta adult health benefit. We are looking for an additional \$4.1 million here. What is that monthly average now? With the Alberta child health benefit the monthly average of children who received the health benefit was 77,375. Has the department seen a significant increase in both those monthly averages since economic conditions have changed?

Thank you.

Mr. Goudreau: Mr. Chairman, I'm not sure that I've got the exact numbers in terms of averages, but I've got some numbers that I can share here with the member. Under the Alberta child health benefit program – and that's for children in low-income families; we always talk about that – the qualifying income levels have been raised, with the threshold for a two-parent family with two children increased, for instance, to \$34,346 from \$33,460. There are 94,000 children that benefit from the Alberta child health benefit, and those numbers are constantly increasing.

4:20

There are about 5,000 households that access the Alberta health benefits. The Alberta child health benefit covers things like eyeglasses, prescription drugs, emergency ambulance services, essential diabetic supplies, and dental care. Again, it's for children up to the age of 18 and can include children up to 20 if they're still attending school or living at home. Now, with children not being able to access as much employment at times, we will be probably seeing more children staying in school a little longer.

Under the Alberta adult health benefit program – and that's for all the family members – those families are eligible when they leave income support and have income from employment or self-employment or a Canada pension plan disability. Families with high prescription drug costs in relation to income are eligible. That program is available to individual ladies in low-income households that are expecting. Those individuals from the assured income for the severely handicapped, for instance, the AISH program, or who have income from employment or self-employment, again, or the Canada pension plan disability, are also eligible as they transition out. Similar kinds of coverage are there with support for things like drugs or eye exams or glasses or dental care.

I regret that I don't have the specific average for individuals at my fingertips here.

The Chair: The hon. member.

Mr. MacDonald: Thank you. I appreciate that information from the hon. minister. That indicates to me that as economic conditions have changed, those necessary benefit programs are being accessed by more families, certainly.

Now, I'm a little confused about the numbers I keep hearing, so if the hon. minister could clarify this not only for myself but for members of the House and people throughout the province. I recognize the changes that have been made to some of the programs, particularly people expected to work or working and allowing AISH clients, if they can do a little bit of work, extra income.

We welcome the small changes that have been made in the minimum wage. There was an announcement earlier today. Who exactly is included in the minimum wage numbers? Is it just individuals, for instance, who work in the service industry, or does it include some of the individuals who may do part-time work at the minimum wage to supplement their AISH benefits? There are a lot of numbers going around, some as high as 70,000, some as low as 20,000 working Albertans who work for the minimum wage either full-time or part-time. I know that when we were debating this a number of years ago in the Assembly with a former minister of labour, I think there were around 27,000 individuals working for minimum wage.

If the hon. minister could clarify that, give us the numbers of those who actually are working, for instance, in a restaurant as a waiter and getting minimum wage plus tips. Exactly how many are there? If the department has an indication as to how many individuals may be working part-time to supplement their AISH benefits when they

can. I stress "when they can" because many of these individuals can't work for very long because of an issue with their health.

Thank you.

The Chair: The hon. minister.

Mr. Goudreau: Well, thank you very much, Mr. Chairman. As the members are aware, the minimum wage – and we took that particular position some time ago now – would be set on the average weekly earnings based on what has happened over the past year. Our minimum wage – it was announced today – is going from \$8.40 to \$8.80 per hour.

The minimum wage is directed at anybody and everybody working at that particular level, so it doesn't exclude any particular category. If you're working, the minimum that you can earn is \$8.80 now. When we talked about who is involved, those individuals that are working at this stage as a server in a restaurant or a front desk attendant, whether they're working full-time or part-time, will be expected to be paid \$8.80 per hour.

It's often quite difficult to get exact numbers to the last individual, but generally speaking in this particular province we have anywhere from about 19,000 to 20,000 or 21,000 people at the minimum wage level, and those tend to be, the majority of them, individuals working part-time. They're our youth. They're often people between 15 years of age and 19 years of age. They're more often the individuals who are working for the very first time away from home. It's their first experience in the job market, and a lot of them are at an entry point in the job market. For a lot of them it's a learning experience; it's an opportunity to join the workforce.

There have been a lot of studies that have indicated that raising minimum wages, you know, certainly causes a hardship at times on the employer and that if the minimum wages were to go up too high too quickly, employers would actually, in fact, quit hiring individuals or even start to lay off particular individuals. There was a study out of B.C. that indicated that an increase in minimum wage of \$1.50 to \$2 a hour would actually cause them to lose about 40,000 or 50,000 jobs in British Columbia. So we're conscious of that particular fact as well as the fact that individuals require a certain amount of resources to be able to live on a day-by-day basis.

Most of the people earning minimum wages are those individuals, as I indicated, that work part-time. A lot of them are students. A lot of them are still living at home and are not dependent often on the full amount of that minimum wage to pay their full room and board, for instance. Although we do have some individuals that depend on that particular level for their full day-to-day living, the majority of them are living with another adult or living with a spouse who may or may not be earning some money as well.

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

Ms Notley: Thank you, Mr. Chairman. It's again a pleasure to be able to rise and talk a little bit about the extra money that is being requested to be added to the budget for the Minister of Employment and Immigration. It does appear as though in essence what we're seeing here is a request for additional money for three areas and that in order to I suppose minimize that request to some extent, we are seeing two other areas that will be losing money. So I want to focus on all of those points.

We've been talking a bit, of course, about the income supports, and you've outlined that we've had roughly 3,000 new families or individuals go on welfare and that that's been in association with the increase in unemployment rates in Alberta. You'd started to talk about some of the rates – and I appreciate there was some mention

of the increase in rates – but I just want to first inquire as to whether or not the current rates are the ones that are on the website or if, in fact, they've been raised from this. My understanding from the website is that we're now looking at a single employable individual, which, of course, would be the majority of the individual people who had come onto the rolls in the last year because, clearly, they were added as a result of losing a job in most cases, at \$583 per month. That's the information that I have, and I'm just curious as to whether the increase that you noted in the fall is different from that.

4:30

You know, another example of an income support rate is for a family, a mother and a father with two children. My understanding is that between the money provided through your department and the money provided through the child credit benefit through the federal government, that family of two adults and two children would receive \$1,700 per month. I suspect you can imagine where I'm going with this. Both of these amounts are not enough for people to live on. You know, if you imagine the family of four living in a two-bedroom apartment, assuming that they can't possibly have more people living with them in a way that is healthy, and then you look at what is allowed for food, you can't even begin to imagine how they will keep themselves from getting ill. You know, I don't know what they're going to do, frankly.

It's interesting because I'm sure you would have had various officials within your ministry at least alert you to the CBC interviews that were done a couple of days ago with people who had engaged in the working-poor diet and had attempted to feed themselves on the basis of the amount of money that was allotted to them through the amounts identified through your ministry. All three of them described losing between 10 and 15 pounds in the course of a month. This is deeply concerning to me. I appreciate that, on one hand, you're coming back here looking for more money because there are more people in need of the benefits, but I think we're also in a position where we have to seriously look at whether we can humanely, with a view to having respect for basic human rights, ask people to try and ensure that their kids are not malnourished and ensure that they get enough food so that they can actually continue their efforts to find employment. I'm deeply concerned that no one really can with this amount of money; you just simply can't ask people to live on this much.

One of the reasons I talk about the family of four is because that's a family that you're not really going to expect will invite other people to come live with them in their two-bedroom apartment, which, I think most averages at this point tell us, is going at about \$1,100 or \$1,200 a month. So those folks can't rely on that. They're living with themselves. What are they doing to feed their kids and themselves? That is a very, very significant concern that we have.

In some respects I'm just wondering, as we come closer to the next budget, if you anticipated – I think that you in fact articulated that you did – the number of people who are forced through no fault of their own to seek income support because of the downturn in the economy. Are we really doing our best for them? We know that these are people that were working up until very recently, and they are not working because the economy has changed. These are people who are not, you know, sitting at home sipping mai tais and chuckling at the fact that they really put one over on that big socialist welfare state and having a grand time. No. These are folks that were working until very recently. With the change in the economy they've lost their job, and until they can find a new one, this is all they've got to take care of themselves and their family. I think this is an issue that's going to come back, and it's going to

continue because nobody can explain how anybody can live on these amounts of money.

Another area where you were talking about looking for money is with respect to employment and training programs. Again, it makes perfect sense. These are initiatives that are going to take on a much, much larger role. We've talked about it a lot. As people lose their jobs in our current economy, we need to look at helping them transition to new skills, new jobs, new areas. There are certain parts of the economy that may not recover, so employment and training initiatives are critical because we want people to get retrained, and we want to give them the skills and the tools to be able to find re-employment in a different sector if necessary. That's good. Again, I think that there's going to be a much bigger draw on this program than is currently the case.

At the same time, then, I go back to the questions that were raised by the Auditor General about the quality of the programs that are being funded, the monitoring of those programs, and the criteria that are being used for those programs to be approved. I have some significant concerns about this because I've had constituents come to me and describe, frankly, quite unfortunate circumstances where they are theoretically in an educational institution, but the conduct in those institutions is not what I would ever expect to see from any kind of traditional postsecondary institution.

I think that there will probably be a lot of quick and dirty start-up companies that are going to come looking to get government funding for more employment and training initiatives as the government looks to support folks. I think that the key thing that needs to happen when those requests come is that your ministry needs to be very vigilant in terms of how these groups are assessed and monitored and what kind of standards they are abiding by. The last thing we need to do is take that very teeny pot of money you have and give it to folks that aren't effectively training the people they're supposed to be training. I think that that is an issue. I think the Auditor General raised it for that reason, and it's going to become a more significant issue as time passes.

A couple of points with respect to the items that are being pulled from in order to deal with the increase that you're talking about with us today. I see that there is another reduction in the health workforce development line item. I'm a little surprised by this, and maybe you can give me some explanation for it. It seems that, you know, as recently as last year there was a press release talking about the health care centres that were being established for health care professionals. In those press releases there was talk about the ongoing shortage of health care professionals in Alberta. I know, of course, that there's been a shift with the change in the economy, but I suspect that if there is any place left in the economy where there's still a shortage, this is one of them. This is, of course, with respect to helping foreign-trained health care professionals learn what they need to learn in order to be able to function safely and effectively and professionally within our system. I'm a little concerned . . . [Ms Notley's speaking time expired] I guess I'll have to come back to it.

The Chair: The hon. minister.

Mr. Goudreau: Well, thank you very much, Mr. Chairman. Just to start off, I know that it is a challenge in our own budgeting when we see constant changes in people accessing our services. You know, we try to anticipate as much as we can what those levels will be, but we really don't know in the end how many people will be accessing our individual services and how we'll be able to respond to them. Suffice to say that the increase in requests that we have here is basically due to the increase in caseloads that we're having as well as the increases, albeit small, to income support that we approved in

the fall. The rates on the website, I would think, should be up to date. I haven't checked them to really compare, but I would expect that those rates would be up to date.

4:40

I know that the changing conditions will create individuals that will be faced with more challenges financially. Really, in any society, whether they're here in Alberta or elsewhere around the world, we know that there are people that are struggling to make ends meet. As a government and as Albertans we want to support them as much as we can. There are a couple of philosophies that we use. The programs that we have are very important even in good times. There are people that struggle all year round, people that struggle whether our economic conditions are very poor or very, very good. So those programs are important in good times, but they're also important in times of difficulty, in times when things get tough. We try to provide benefits and support when we do our budgeting to help people that are most in need. That's our primary target, to try to look at that. We want to safeguard as much as we can the vulnerable Albertans.

So we work on a number of fronts. Employment and Immigration is involved in helping people in need. As I indicated and you've alluded to, we provide employment and training supports, and we provide the basic living and household costs. We provide some support for their health requirements and much more. I think the important thing is that Alberta's approach has always been to help people increase their income through work as much as possible. So we're going to try to provide the proper training. We're going to try to move people on so that they can certainly gain and get ahead more by work. It's more of a hand up rather than a handout.

Our mandate is to try to say: well, if there's an opportunity for you, we're going to encourage you to work through that system to take advantage of that opportunity, recognizing that some individuals are not expected to work. They're in a category where they're maybe facing a little bit more difficulties, and because of particular situations or circumstances we don't expect them to work today, but maybe as things change in the future, they'll be expected to work. We're trying to incent them rather than disincent them. There are times when things are tough, and we're saying: we're going to support you during those tough times, but to really get ahead, we're going to have to work with you to move on to try to do something a little better in that way.

Again, you know, we're trying to increase revenue for those individuals through income from work. We recognize that on the short-term basis income support is the answer and is needed, but in the long run our mandate is recognizing that a job eventually is the better solution for everybody. That's our goal in that way.

When it comes to the training programs, you know, certainly we're responding to the Auditor General. He did indicate that we needed to monitor things maybe a little better. I think we've been doing a much better job over the last little while, and I'm anxious to see what the Auditor General is going to say next year or the next time he reports. We have tightened up considerably in terms of our expectations out there from those who are contracting with us. We certainly have some strong outcomes that we want them to meet, and we do monitor those.

When it comes to maybe some declining dollars – and I don't have the specifics in front of me here – I would suspect that some of those dollars are based on some of the agreements that we've had with the federal government. Some of those agreements were signed partway during the year, so the declining dollars reflect the fact that we weren't able to use a full year's revenue because of some of the labour market agreements, for instance, that we've signed with the federal government.

Under health workforce development we're still very actively involved with the Bredin Institute. We're working with that particular institute. We're working with a college in Calgary to help facilitate the movement of those individuals that have backgrounds in health, that have experiences there but are not fully qualified or do not know how to fit into our system. We are in fact taking them by the hand and helping them work through the process of qualifying and seeing what additional educational experiences they require to be able to work in the health field in the province of Alberta.

In Calgary, for example, we're helping about 60 internationally educated health care professionals over the next two years to obtain training for health care jobs responsible for things like the sterilization of medical equipment, so we're able to do some of that. I could list quite a number of examples where, you know, we're working with individuals not only in the health care professions but in other professions to make sure that if it's a language impediment or if it's a requirement for workplace upgrading, we can provide that and make sure that they have access to that.

I think that might respond to most of the questions that you had.

Ms Notley: Well, if I could raise just a couple more, then. I understand what the programs were doing with respect to the health workforce development group, but my questions were more sort of that it seems as though the level of work that's being done through that department is decreasing because the budget keeps decreasing for it, so that is a concern.

I don't know why it is or if it is just unique to my particular riding or if it's the case for all the members of the House, but certainly it seems that I do have a whole bunch of unemployed foreign doctors in my riding. It continues to perplex me, the degree to which roadblocks are put in place with respect to their ability to be able to practise. I know there is a program through the provincial government to try to work with them. It is very backlogged; I know that as well. As a result, I don't know if, really, this is the time to be reducing that if it's actually paid for through this program. My understanding is that last year we had a decrease of \$1.7 million in that program and that we've got a net decrease from when it first started of about \$4.4 million. It would seem to me that there's actually greater need for it at this point, certainly not less.

The other issue. Again, I appreciate that you are monitoring more with respect to the education programs. I would be interested, maybe through correspondence after this, to hear what that monitoring looks like since it does appear, and you've noted, that there's no actual budgetary adjustment to account for that monitoring or those monitoring efforts. Again, we have some concerns about shall we just say the efficacy of those programs for the people that they're purporting to serve.

I still go back, of course, to my first comments around the income supports. I mean, we agree with you very much that the idea is for these folks to get back to work; no question. But we know we're in a situation where there's a downturn, and clearly, through no fault of their own, that may not happen right away. I go back to the original question that while these folks are trying to get back to work, how they can do that if they can't afford to feed themselves in a way that will keep them from fainting halfway through the day. I don't say that facetiously. Again, I refer you to recent interviews with people who've tried to feed themselves on the budget they're currently allocated.

4:50

The last thing I want to mention is that I see, again, that the money that's going towards the needed increase in income supports and education and employment is also coming out of the section under

WCB appeals. It appears as though there's a reduction in that part of your budget. I'm assuming that that relates to the appeals advisers. Maybe I'm wrong. I know that WCB is self-funding, but I believe the appeals advisers are funded separately. I believe that's where that's coming from.

I have to say as one who has done not a small amount of work in this area that the last thing that that area needs is a further reduction. Workers' compensation law and law related to any issue associated with disability, on one hand, and eligibility for income, whether it be through workers' compensation or insurance or anything else, is increasingly complex in today's world.

Workers' compensation law in and of itself is increasingly complex in today's world, and I can say with probably a great deal of certainty that as a province we offer the least amount of support for worker advocacy when they are attempting to navigate their way through an incredibly complex system, which is workers' compensation. That is a substantial income issue and a substantial worker right issue. I say this from having observed files over the last few years. I am repeatedly shocked at how obvious the issues are that should be addressed with respect to injured workers that are not in any given file because they are just simply not able to access the kind of expert advice they require to ensure that their rights under the act are actually honoured. So there's a real difficulty there.

Other jurisdictions fund WCB advocacy through their legal aid system. Our legal aid system really doesn't, for all intents and purposes. Again, the worker appeal officers are pretty much the only resource that injured workers have at their disposal, and I know full well that you could probably hire 20 of them tomorrow, and they would all be working overtime within about a week.

So I have some very serious concerns if that's where it is. Maybe I'm wrong, in which case I'm doing this whole ramble for nothing, but I would be very interested to know how it is that it could be thought that there was any room to reduce that budget if that's what the budget is.

Thanks.

The Chair: The hon. minister.

Mr. Goudreau: Thank you very much, Mr. Chairman. Going back to the unemployed health professionals that are coming to this province, we're working very, very closely with the minister of health and the minister of advanced education and, you know, coming with various initiatives to recognize foreign credentials. We've got a very aggressive file on this along with the recognition of the various educational institutions around the world. We know now for a lot of people that come with a particular certificate or a particular diploma from another country where they might fit within our systems and if there are additional training requirements or not for them to move into their field of interest or their field of practice. Often it's not a question of qualifications specifically, but it's often their understanding of English as a new language and making sure that they're very comfortable in being able to practise and to understand our system and to be understood.

We are working with them. We've got some very, very good success stories. I went to the Bredin Institute here, which is just a few blocks from this particular building. Talking to some individuals that have gone through that particular process shows us that there is a lot of good work that's being done. We've got some foreign-trained medical individuals that have been able to navigate through our particular system. At times it can be very cumbersome, but they're now practising in Alberta.

We recognize that there are still a lot of challenges. We recognize that there's still lots to do. We are very aggressively working on that

particular file, and we would hope that we'd be able to streamline it yet that much more with any new individuals that are coming to Alberta.

When it comes to training, again, and monitoring of those particular training programs, I can send you a letter maybe in the next few days to indicate what we're doing, the various steps that we've done to look at the particular training, to indicate how we're trying to achieve particular objectives when it comes to the training of individuals under those particular programs.

Going back to income supports, you've alluded to it as well that a job is probably the ultimate goal for a lot of people, yet there are people that will take some time to be able to get to that particular level. We recognize that. The income levels often are just to meet the bare necessities, and we recognize that there are some hardships there. We encourage those individuals to keep on working with our staff. Our staff have been given some flexibility, and if there truly are some hardship cases, we will work with them.

As an example – and I'm not suggesting that that's happening in all cases – we've had individuals in particular communities where rents have in fact gone down. There is an expectation that individuals will try to help themselves by maybe at times moving from a particular facility where they're having to pay fairly high rent to other facilities that might provide the same type of accommodations but that, you know, will require less commitment to rent and rent payments. We are working with them to have those kinds of things happen. We are working in areas where we've seen, actually, vacancies climb and rents go down. If landlords are not prepared to accommodate those individuals, then we will encourage them to move, to try to get better facilities or similar facilities at lower costs to increase the overall residual income that they've got to spend on other necessities.

With WCB I think the only reason our numbers are going down is the fact that our appeals are in fact going down. We are probably getting less appeals. We can move them through the system a little quicker. We are getting lower numbers.

We do provide support with the changes that have happened with WCB over the last few years. I know there are a number of reports that came through the system where changes were accepted by the government, where we've got different appeal mechanisms. We do provide support to individual clients that request that. We will put an adviser to work with a particular individual that has concerns with WCB and help them work through that process as well. Those are independent advisers or independent supports that are there. You know, if there's a need to understand the process or to get some decision made, those individuals can literally hold the applicant by the hand and help them work through that particular process.

The Chair: The hon. Member for Calgary-McCall.

Mr. Kang: Thank you, Mr. Chairman. My questions are to the Minister of Employment and Immigration. When the boom times were here, kids were just dropping out of school because they could find very good jobs, had no problem making money. When the economy is slowing, I think all those kids, you know, will be coming back. They'll probably want to further their education, and they'll want to go back to school. Lots of others, say new immigrants, too, will want to upgrade their skills. It was easier for them before to find jobs when jobs were plenty. Some of them will probably be upgrading their language skills. Probably they want to go to SAIT or upgrade their education.

5:00

The way things are going – this \$40 million share is going to go towards everything – is there any kind of plan in place to put those

kids back in school or all those new immigrants who want to improve their language skills, their professional skills? How fast are we moving on the foreign credentials recognition program? I think it would be a good idea to put all those people through school so we are ready for the next boom. Those are my concerns. If not, are we going to put the cart before the horse, or are we going to leave the horse before the cart, that kind of thing?

Do we have any number in place, you know, that this is how much we will be needing for next year's budget? I'm sure you must have some idea. The way things have been going lately, what kind of a flood of students are we going to have in our education system?

The Chair: The hon. minister.

Mr. Goudreau: Thank you very much, Mr. Chairman. I think I need to remind the Member for Calgary-McCall that we are dealing with interim supply and the required dollars that are needed here. We're really not dealing with next year's budget or the budget that will be tabled then, so I'm not in a position to be able to share numbers that will be coming out. Nonetheless, your comments are taken very seriously about the economy and the changes in what we're faced with: a slowdown in the economy and more people becoming unemployed.

As I indicated earlier in my comments, we're still in a pretty enviable position. We're doing quite well as a province, where our unemployment levels are hovering around the 5 per cent level. We still don't know where that's going to be. For most areas in the world 5 per cent would be basically considered full employment; for us it's not. It means that in certain sectors we do have individuals that are looking for work and that in other sectors there is still a demand. We will keep on providing support for training, and we recognize that those individuals that maybe had not finished their high school level are coming back and wanting to finish their high school level. We are working with the Minister of Education to make sure that they have the opportunity to do that. If there's a need to improve skills so they can move to a better job for themselves, we will work with them.

Some of the things that we've done. For full-time students the employment income is a hundred per cent fully exempt, and we've looked at the employment income exemptions. We're looking at bursaries, those bursaries that are available to students. We're looking at the assets that individual students can have. We've relaxed that. We're providing various supports all along in terms of making sure that they can upgrade themselves and improve their skills. That's not any different for anybody in this particular province, including our immigrants. Once they're immigrants and are here, they've got access to similar kinds of support. Even with our immigrants, through our ministry we do provide at times additional support to improve their language skills, whether it be in English or in French, so that they can work and be fully functional in the province.

Mr. Kang: I think it takes me a step further. The minister mentioned something about unemployment hovering around 5 per cent. This is just the tip of the iceberg, I believe. You know, I think it's going to be much higher. When we look out there, all the economists are predicting for the States 11 and a half per cent unemployment. I don't know what kind of ripple effect that's going to have on us. Are your projections based on 5 per cent unemployment, or is there some different number the minister has in mind? Would he like to share it with the House if he has it? Those are the questions we are asked every day. Last week, when I was in my constituency, those were the questions. At every door everybody is asking

questions: "Where are we going? Do you have any clue? You guys are in there." So do you have any idea, sir, what our unemployment numbers will be like at the end of the year 2009? The year 2009 is being predicted to be the worst year.

I remember '81, '82. We had the same kind of gloating feeling that nothing is going to happen here, but we were the hardest hit. We have the same feeling out there again, that nothing is going to happen in Alberta, that we are okay at 5 per cent. I'm not trying to portray a doom-and-gloom days scenario here, but there's a concern out there, and it's a big concern for everybody.

Mr. Goudreau: Well, Mr. Chairman, I guess it's the same thing. You know, there's no doubt that if we could predict the oil prices in a few months, we would be much better off. We do have some indications as to how things are going. We know that our unemployment levels are slowly creeping up. We're monitoring it. We're keeping an eye as to our numbers. We're working very, very closely with Finance.

We know that Alberta's labour market did extremely well over the last year except for the last few months. We know that it's not immune to some of the global changes that are happening out there, but we also know that this particular province is very well positioned to weather that particular storm. I think the message that I want to leave with you is the fact that we do have, say, 4.7 per cent of people unemployed, but we still have 95.3 per cent of the people working, and that's incredible. [interjection] That's right. Is the glass half empty or half full?

As a province we're doing well. We're monitoring it. I don't know where those numbers are going to peak and where they're going to go, but through our particular programs we recognize that our unemployment levels are a little higher than they were in the last few years. Fifteen, 20 years ago these numbers would have been considered just excellent numbers, and as I indicated, most jurisdictions would just love to see the types of numbers that we have. Certainly, we're seeing some short-term unemployment numbers. We're gearing up for increased caseloads. You know, I guess you'll have to wait till our budget is tabled to see where our numbers are heading.

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

Ms Pastoor: Thank you, Mr. Chair. I would like to maybe do some questions on Transportation. The supplementary amount that's being asked for is \$8 million to provide off-site servicing work.

The Chair: Hon. member, we have to have the Minister of Transportation speak first.

Ms Pastoor: Thank you.

The Chair: The hon. Minister of Transportation.

Transportation

Mr. Ouellette: Well, thank you very much, Mr. Chairman. It's been a long afternoon here already today. As Minister of Transportation I'd like to provide one supplementary estimate requirement. My department requires \$8 million in the expense and equipment/inventory purchases vote. This is actually a reallocation of funding from the capital investment vote, for which approval was previously received, so this is not new money.

5:10

The \$8 million requested for '08-09 is for projects related to the Fort McMurray community development plan. As you know, Mr.

Chairman, the community development plan is aimed at addressing the housing pressures in Fort McMurray, and this government, our government, is committed to helping the community deal with the pressures of their huge economic growth. I believe this plan is a very important cross-ministry initiative, and I ask all members to support the request for the \$8 million supplementary estimate.

Thank you.

The Chair: Hon. Member for Lethbridge-East, your turn now.

Ms Pastoor: Yes. Thank you. The \$8 million that's asked for at this point in time is reallocated money, not new money, but last December the department also asked for \$86 million. I have to assume that that was new money and partly for the same reason, relating to Parsons Creek, the Fort McMurray development, the advisory board, the community development board there, comprised of many different representatives – provincial, municipal, Alberta social housing, et cetera – because of part of its experience with land development. My question, I think, relates to why the money would have been necessary. When the plan was put together in the first place, why would it not have been included in the original development? I mean, surely, when you do a development, one of the first things you look at is off-site servicing.

As a rule the developers pick up – and I think that more and more in the province developers are picking up – off-site levies in terms of their cost to get their developments in. What was the off-site servicing in question? I'm assuming it's services to get the development going. Is this all that will be required for the off-site work, or is there more on the way? Would this be part of a P3, and if it is part of the P3, why wouldn't it have been a part of that contract that would have been included in the RFP for whoever did the bids on the P3 part? We haven't seen any agreements on the development signed with any companies. How is the money accountable, and who's in charge of this? As a former municipal alderman I just find it peculiar that the off-site part of it wouldn't have come first, before anything else.

Mr. Ouellette: You have to remember, hon. member, that right from day one all we've heard from that side of the House was how we needed to help Fort McMurray more, how Fort McMurray was in so much trouble. I even went up there and toured and saw people that were actually sleeping in the garden sheds in the backyards, so I believe this is a very important initiative.

I did say that this money was approved. I have to tell you, though, that there are other ministries involved. We haven't even got anywhere near the position of RFPing or RFQing for a P3 at this point. My department at this point has been more involved in the planning of where the roads are going to go, how we're even going to get the services, and how much cost there will be in getting the services and stuff there. This was approved in capital. We had to move it over to operating, and that's basically all I'm asking for.

It is a good cross-ministry initiative. It's being led by the President of the Treasury Board, that ministry, because the oil sands secretariat falls under that. We're really not ready to go out with a P3 yet on this project.

The Chair: The hon. member.

Ms Pastoor: Thank you, Mr. Chair. Thank you for that, Mr. Minister. This money, then, that you're asking for is actually to do the planning part of it, where you're still working on that? I'm just not sure where this money is going if you're not even up, you know, into the developing part of it. Are these sort of the pre preliminary

monies, and you need more to run through the actual process of getting it done?

Mr. Ouellette: Oh, I mean, we're not talking about a little project here. There's going to definitely be more by the time you start putting people in houses there. There's a great deal of funding required to do all of the servicing for both Parsons Creek and Saline Creek. I myself today don't know how far my own department is along the lines of getting that done, and I can get that information for you at a later time. I'll get you a letter out on that thing.

Ms Pastoor: Thank you.

The Chair: The hon. Member for Calgary-McCall.

Mr. Kang: Thank you, Mr. Chair. I will just take the minister back here a little bit to the growth of Fort McMurray. The population growth in the last eight years was about 9 per cent. It was growing at a rate of 9 per cent, and by the year 2012 the population would be a hundred thousand people. There were lots of other studies done. Currently there are about 1,800 new housing units being built in Fort McMurray in each year. This is not going to be enough to meet the demand, you know, the way things are going. The serviced land will be depleted by 2010. We won't have any more land after that. There were some studies done by the regional municipality of Wood Buffalo in March 2007, and they identified Parsons Creek and Saline Creek Plateau as the top priority of their new development areas. My question is: how come it took us so long to get to this point? You're asking \$8 million today.

Mr. Ouellette: I'm going to have to keep repeating this. I'm transferring \$8 million. I'm not asking for \$8 million. I'm transferring \$8 million that was approved before. I also want to remind the hon. member that I look after Transportation. My job is to plan roads, make sure that all of our interchanges are safe, make sure that when they do a development, what the impact is going to be on the intersections, that sort of thing. As far as actually building the houses or building the lots, that's not my portfolio and not anything to do with this \$8 million. But they are interesting questions. In a short few weeks' time here – I'm not exactly sure when – there will be budget deliberations, and they are probably very good debating questions to ask at that time.

Mr. Kang: Where is this \$8 million coming from? Are you reallocating money from some other program into this? You said that it's old money, so where is the \$8 million coming from if you're not asking for new money?

Mr. Ouellette: Previous approvals from the capital investment fund.

Mr. Kang: So the Transportation department is working with provincial and municipal representatives and the other community stakeholders and CDB. You're working with CDB. Where is the money going to go? Is it going to go to CDB, or is it going to go to Alberta Housing and Urban Affairs? How will that fund be, you know, distributed to develop the area?

5:20

Mr. Ouellette: We're also working with the CDB, but I'm trying to explain to you that I'm not building any houses. I'm not building any lots. I'm looking after getting servicing done because water and waste water are under my department, and I'm looking after making sure that wherever they do these developments, we can access them by our roads and highways and that it's safe to do so.

Mr. Kang: My question, sir, is: who will be accountable for the money your department is spending on roads and highways? Will it be your department accountable for the money, or will it be some other outfit hired by the department that will be accountable for the money? That's what I'm getting at.

Mr. Ouellette: Guaranteed that our department is always accountable for the money that we spend that's in our budget. This \$8 million is going to be in our budget, and I and this department will be accountable for it.

Mr. Kang: Coming back to the 2007-2008 budget under Alberta cities transportation partnership expenses, I think your department was \$106 million over budget. So only \$8 million here. I congratulate you for that. You're doing better. But will you be coming to ask for more later on, or will this be it?

Mr. Ouellette: Stay tuned. There's going to be a new budget coming out soon.

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

Ms Pastoor: Yes. Thank you, Mr. Chair. I'd like to follow up on something that the Minister of Transportation had spoken about, and it's something that I think is very important to be putting in his planning. It's about waste water. It's about the waste-water treatment, you know, to be able to put it back into the rivers. I can speak from representing Lethbridge at one point in time. We have an amazing tertiary treatment plant, where the water that we take out basically goes back in probably cleaner than how we took it out.

This may seem sort of off topic, but it really is part of how they set up a tertiary water treatment plant. In fact, for the houses that have garburators, part of what the tertiary treatment plant counts on is to be able to get that garbage, so to speak, that's already been fairly pulverized through the garburators, through the system. That causes the bacteria to work that much better. I'm just wondering if you could share how much of a priority good waste-water treatment is and particularly at the tertiary level. Again, this is, I think, more on the housing side, but it does tie into the tertiary treatment side about having garburators, that (a) it cuts down on your garbage, that (b) it does help the tertiary treatment system work better. Are you looking at these kinds of things, especially at this very ground-level planning for servicing? Are you planning for tertiary water treatment.

Mr. Ouellette: I'm glad to hear that you're concerned about how we get clean water back into the river. This is the first time I've heard somebody talk about garburators adding to our bacterial system to make the bacteria work better within a system. I know exactly what you're saying, but I don't know, if it is as good as you say – I'm not a biologist or whatever – how much will come out of that garburator. I also know that in some cases garburators do create problems with blockages and stuff within systems. I don't think that I'm qualified or that my purview would be to say that I want to mandate garburators in houses somewhere to help with a system. I think that would have to be designed by the engineers that design those systems.

I know that today we're spending an awful lot of money together with municipalities in the province. Most municipalities have been applying for new treatment systems for their potable water and also for their waste water. You know, I'm completely scraping all the time and having our guys say: can you make sure that they're designing these systems in the most feasible manner possible that will still do the best job? We can't keep up with budget for the

amount of systems we're trying to get done out there to clean up our whole water system because of how important our watersheds and our fresh water is to us today. I mean, it's a real gem to make sure we keep fresh potable water available in Alberta.

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

Mr. Taylor: Thank you, Mr. Chairman. I'm going to direct my questions to the Minister of Transportation. I have to confess that I'm somewhat confused by this. What I'm looking at here is a supplementary estimate, a request for money in the amount of \$8 million. The minister is referring to this amount of money as a transfer, so I'd like to know where it's being transferred from. If he can't answer that question, then it, you know, goes to what is apparent here, that this is, in fact, \$8 million of new money. If it is \$8 million of new money, we are trying to get a handle on this side of the House on what this new money is for. It's described as being requested "to provide for off-site servicing work related to the Fort McMurray Community Development Plan."

Now, you know, I know it's kind of labyrinthine on your side of the House, and things that one would think from a common-sense point of view would live in one ministry end up living in a ministry at the opposite end of the building. This seems to be one of those cases where this is clearly a housing development project, both market priced housing and affordable housing, yet somehow it has ended up in the lap of the Minister of Transportation, who doesn't from his answers so far seem to be much interested in actually having it in his lap. I would really like to know what this is for. What is the off-site servicing in question? How does this relate to the Community Development Board, the advisory board that's been set up to have some part of the management of this plan.

I don't know. Maybe the Minister of Housing and Urban Affairs should get involved in the discussion here. Maybe she can shed some light on it. It would sure seem to me that it would be logical that all this would live in her department, but it lives in your department, sir. I guess I want to have a clear answer as to just what is the scope and limit of the Ministry of Transportation's involvement in the Parsons Creek development plan.

The Chair: The hon. minister.

Mr. Ouellette: Yes, Mr. Chair. To explain where the money comes from, the money came to this House originally under the capital investment fund vote. I'm asking for the reallocation of \$8 million from the capital vote over to the operating vote. My department should be involved with getting the services to the site but not developing or building houses or doing whatever. You can call it whatever you want. My department builds the roads and gets the services to the development, and that's what this is all about. It's figuring out how we're going to get the services to the site and doing the job. At the start of this there were no services going to Parsons or to Saline Creek.

Mr. Taylor: So the services would be roads. What else?

Mr. Ouellette: Water and sewer.

Mr. Taylor: That's it?

Mr. Ouellette: Yeah. For us right now that's all we're doing.

5:30

Mr. Taylor: Okay. Then bear with me. Maybe this is particularly difficult terrain. I know that depending on where you are in the Fort

McMurray area there are certainly some challenges. You've got to work your way around muskeg, sometimes through muskeg, all the rest of that. But we are talking, now, a supplementary request for \$8 million. For argument's sake, if nothing else, I will accept that this is not really new money, that you're just moving it over from the capital plan into here. I'm not really sure why it then goes as a supplementary estimate, but, okay, I'll accept it for now. But it's \$8 million to go with \$86 million before. You know, the city of Fort McMurray doesn't take up that much geography relative to the size of the Wood Buffalo region, relative to the size of the province of Alberta. Are you paving the streets with gold that it's costing so much to build a road from where the road is now to where the houses will go?

Mr. Ouellette: To service those areas: very, very, very expensive. We have to take services across the river, for one thing.

I agree with you that when money is already allocated – if I was running my own little business, I would be able to just move that money wherever I wanted at any time. The way we report in this House: if it's been voted on in the House one way and you want to change it, you have to come back and vote on it again within this House. That's what the Auditor General requires of us on how we report things, and that's being accountable to this House and to the taxpayers of Alberta.

Mr. Taylor: I'm resisting the temptation to say "bravo" right now for your accountability. Oh, I guess I didn't resist the temptation. I used it, didn't I?

I guess what I'm trying to get at here is that first there was \$86 million. Now there's another \$8 million, which, I mean, you know, is 10 per cent. It's a plus or minus sort of thing. I'm trying to get a handle going forward on where this is going and how much more cost escalation we might be looking at in this project as far as the off-site servicing component of it is concerned. What are some of the challenges?

Mr. Ouellette: Today I'm not ready to take myself through a number. If you want a bigger breakdown, I was going to get one for the hon. Member for Lethbridge-East, so I'm sure she'll pass it on to you. We can itemize what we're doing there. I'll get that information for you.

Mr. Taylor: To the minister: thank you. I'd like a sense of some of the challenges that you are facing and whether there are unanticipated challenges that have occurred, you know, whether something happened on the route, kind of thing, that you didn't know was there, that you had to work your way around or through or however it goes. I'd like some sense of the difficulties, the challenges that you're encountering as you go forward with this project. Maybe that will give this House some idea of what to expect in fiscal '09-10.

Thank you.

Mr. Ouellette: I'm very happy to do it. I will say that at this point in time it's not that we've run into obstacles. Long before we were involved with this project, everyone knew it was very, very expensive to service those lands. That's why the community of Wood Buffalo didn't get involved in it before because they just couldn't afford it. It was time, with your help of always saying, "Do things for Fort McMurray," that we got involved as a government to help out that region.

Mr. Taylor: Mr. Chairman, I am so happy. I am so happy that you did that. I'm so happy that you heeded our call on behalf of the

88,550 some-odd residents, as of the Alberta census of April 1, 2008, in Fort McMurray. I am so happy you did the right thing, and I am so happy that you're being accountable for it. It is so rare that we have such an open and transparent display of accountability that I'm going to run with this one, okay?

What I want to know, because clearly the project is not on budget, is if it's on time, because you're providing the off-site servicing that is going to allow the construction industry, the home building industry, the development industry to get into that area, to get into Parsons Creek and start digging holes and pouring basements and building houses, some of which are very-much-needed affordable housing units in the Fort McMurray area. I want to know if this project is on time or if we're running well behind schedule here.

Mr. Ouellette: I'd really like to thank the hon. member for all of those kudos that he was giving us. I am getting back to him with the information on paper.

Thank you.

The Chair: Any others? Hon. Member for Edmonton-Gold Bar, do you wish to speak?

Mr. MacDonald: No, Mr. Chairman. I was going to have a discussion with my hon. colleague from Calgary-Currie on the frost levels that occur in Fort McMurray and the length of time you have for construction that are frost-free days, but we can do that on our own time.

I would prefer if we could now move to and perhaps have a brief discussion, before time expires, on the requisition for the AG.

The Chair: Yes. Go ahead.

Office of the Auditor General

Mr. MacDonald: Okay. Thank you very much. It's not that the Transportation discussion, or debate, wasn't interesting, Mr. Chairman, because it certainly was.

In light of the time that we have left, I think it's important to have a discussion on the supplementary amount of \$750,000 that is requested to provide for increased auditing requirements related to the March 2008 government restructuring, the new Alberta Health Services entity, plus various special systems audits such as Alberta mental health, the Alberta Treasury Branch, climate change, protecting information assets, and, of course, the asset-backed commercial paper. These are very, very important issues.

The Auditor General has in the past certainly been very prudent with the budget that is provided through the Legislative Assembly. The Auditor General is always very, very busy. He provides timely information to all Members of the Legislative Assembly and various committees, one of which I serve on, of course, the Public Accounts Committee. The work that's done in the office of the Auditor General is done, in my opinion, in a very effective and efficient manner.

There are now two public reports that are provided to this House and to the taxpayers of the province. If we look at these reports closely, we can see where there are many major systems audits, and they have recommendations which are to be followed up by various departments. There can be many assurance audits done on the 35-plus billion dollar budget of the Alberta government and its reporting entities.

Now, if we look at some of the activities in 2007-08, we can see that of those assurance audits, Mr. Chairman, 190 were completed. There were 97 smaller systems audits. It should be noted that each

requires a management letter or internal controls or reviews or advice.

Of course, the Auditor General is a very active participant in Public Accounts meetings. He and his staff came to 21 during that time period, Mr. Chairman. They also do work analyzing and prioritizing Alberta's infrastructure needs, child intervention services, the Department of Energy's royalty review system, revenue forecasting systems. I'm certainly looking forward to next month when the Auditor General's office will be providing an update, as I understand it, on postsecondary institutions, noncredit programs, seniors' care and programs, managing information technology risks. There are a number of issues. The office of the Auditor General is very busy.

5:40

When we look at this three-quarters of a million dollar request, we also have to be mindful of, again, just how prudent this man and his office are. Last year, as I understand it, \$408,000, or 2 per cent, of the entire budget of the office of the Auditor General was returned to the Legislative Assembly. I believe that in the previous four years there was at least this amount, if not slightly more, also returned.

When we look at this government, we look at the changes that were made since March. We had at our Public Accounts meeting this morning the departments of Infrastructure and Transportation. Next week we're having Municipal Affairs come by and some of the folks from Housing. The reason why we're doing this is that prior to this year the size of the cabinet was different. Since the election in March, of course, the Ministry of Transportation, the Ministry of Infrastructure are completely separate departments. So the size of government has grown. The budget has certainly grown. We look from one fiscal year to the next, and we see where the budget has increased by 13 per cent.

The easiest way for me to get a handle on this is that when I was first elected, Mr. Chairman, the provincial budget was \$14 billion. Now it's well over \$40 billion. We certainly have not seen an increase in the office of the Auditor General's budget to correspond with that, and I think he would be the first to agree that that's not necessary.

The Auditor General does excellent work to make our government and our province and the policies that are initiated by the government for the taxpayers – he does an excellent job to make sure we're getting value for money and points out in a diplomatic manner how we can improve our systems.

Now, I'm surprised at the workload that the Auditor has. I learned at Public Accounts this morning that he has some audit projects that he would like to complete. Many of them, we have to be mindful, Mr. Chairman, are not in this current fiscal year, but he does have some projects going back to October of last fall that he would like to see followed up. Some of these projects are on his deferred or cancelled list.

There are 80 projects, and it's surprising that 27, or 34 per cent, of them have been either deferred or cancelled, and some of them are major, major projects like food safety, a follow-up. This was deferred to this fall. In Culture and Community Spirit Horse Racing Alberta is deferred, and the report date is to be determined. Education: improving school performance. In Employment and Immigration, again, we're having this, to my surprise, follow-up or audit on workplace health and safety deferred until this time next year, April 2010. The homeless and eviction fund is going to be deferred to this fall. Ensuring the collection of royalties: incredibly, this has to be deferred to a report date that is to be determined. We need every dollar that we can get for the provincial treasury now that this economic downturn has exposed our provincial savings plan to be inadequate. Highwood Communications, Executive Council, a

follow-up or an audit on the Public Affairs Bureau: this is deferred again until October 2009. In Health and Wellness we have a deferral again to October 2009, a follow-up on food safety. Infection control is also deferred.

This list certainly indicates that the Auditor General not only has his usual work to do, which he does very effectively, again, but we have increased his workload and that of his staff. I'm sure that this \$750,000, if a small portion of it is not used, it will certainly be turned back to us. I would encourage all hon. members to have a good look at how the Auditor General wisely spends our money.

The Chair: I shall now call on the chair of the Legislative Offices Committee, the hon. Member for Cypress-Medicine Hat.

Mr. Mitzel: Thank you, Mr. Chairman. I'd like to thank the hon. member for fully explaining all of the duties and all of the functions of the Auditor General's office.

Certainly, to bring it back to what we are discussing today, the \$750,000 that is required in supplementary supply is a significant number. But we must remember, too, as the hon. member mentioned, that the Auditor General also is returning \$408,000.

When we look at the numbers – and I'd like to thank the hon. member for sharing the whole list with me of the 27 out of 80 projects that he had planned, and some of those were deferred. That \$408,000 that is being turned back, I would only have to assume, was turned back for the reason that perhaps he didn't plan on doing that particular job, some of those that perhaps could have been done. So now we're talking about, maybe, the lack of contracts or lack of manpower to be able to handle those or a lack of agencies that he would contract with to do those jobs.

What we're looking at is almost \$1.3 million worth of shortfall. He's turning back \$408,000. We're looking at – and I'm rounding the numbers there, Mr. Chairman – \$750,000 as a shortfall in order to be able to balance his budget for 2008-2009. The \$750,000, as the member mentioned, was to cover the costs of the consolidation or the dissolution of the health regions. He mentioned the Treasury Branches, and he mentioned the Mental Health Board and the others. There was a significant cost to be able to have to look after those. That's part of the shortfall.

Also, I'd like to mention: who audits the Auditor General? You know, the Auditor General does his job. He looks after some 200 different agencies, including all of the departments of the government. Who audits him? There's also an external auditor, an accounting firm, who audits the Auditor General to make sure that he does his job and he spends his money properly. So I think there's a good set of checks and balances there.

Really, what we're looking at here is \$750,000 that the Auditor General has requested, and it was approved by the Legislative Offices. He came and spoke for approximately half an hour, explained the entire process that he had and explained the supplement that was required. It was approved, probably not unanimously, but it was approved that we recommend that the supplementary estimates be also presented and approved.

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

5:50

Mr. MacDonald: Yes. Thank you, Mr. Chairman. Certainly, I appreciate that from the hon. Member for Cypress-Medicine Hat, the chairman of the Legislative Offices Committee. When we look at the request for more money to have a look at how Alberta Health Services has been set up since April, I would urge everyone here to strongly support this initiative. We look at how the budget for Alberta Health has changed. The Premier in his end-of-the-year

interview with the Canadian Press indicated that that budget is \$1.3 billion higher than what it had been anticipated to be. So we fired the regional health authorities in the spring, and by the following Christmas we have an additional \$1.3 billion. The Auditor having another look at Alberta Health Services, in my opinion, is a very good use of our money.

The Alberta Treasury Branches management. Certainly we need to have a look at that. Some of the documents that were left with us at Public Accounts today: there were three different documents. I referred to the deferred or cancelled projects or audit projects earlier, Mr. Chairman, but certainly the mandate of the Auditor General is spelled out in detail, and it makes for very interesting reading. This was prepared for the ATB Financial audit committee on February 17 of this year. I don't know why this was necessary, why it was needed, but it's a very interesting document. I would encourage all hon. members to read that. We look at the Treasury Branches and we look at their investment in asset-backed commercial paper. I was startled to learn that there was over a hundred million additional dollars set aside to cover losses in that. I believe that was announced with their financial report that was made public last week.

We look at climate change, the carbon taxes initiated by this House for certain oil sands producers, some of whom are paying, I think, about 10 cents a barrel right now, or they were, into that fund. So the Auditor is planning on having a look at that.

Protecting information assets. I don't know exactly what that is, whether it's dealing with health information or dealing with issues around the security of the government's intranet. I was startled to learn that there may be people cruising around our internal intranet that are violating our security codes. Now, Mr. Chairman, I'm not nearly as sophisticated as those hackers are because sometimes I even forget my own passwords to get into our LAO computer system.

There are any number of issues here where the Auditor General, I think, would very wisely spend the taxpayers' money to ensure that we are getting value for our government programs and policies.

It is true that next year the budget is going to be limited to 3 per cent. We had quite a debate at the Legislative Offices Committee last fall. Everyone was involved in this: the hon. Member for Calgary-Montrose, the hon. Member for Rocky Mountain House on down to the hon. Member for Calgary Centre.

An Hon. Member: There's no such riding. Calgary-Buffalo?

Mr. MacDonald: No. Pardon me. Edmonton-Centre. Did I say Calgary Centre?

Hon. Members: Yes.

Mr. MacDonald: I apologize.

Mr. Taylor: She won't think that's too fabulous.

Mr. MacDonald: Actually, Calgary Centre is fabulous.

Mr. Taylor: It's a federal riding.

Mr. MacDonald: Yes, it is.

Calgary-Buffalo is a provincial riding, and I'm proud to say that after it was so ably represented by Mr. Chumir and Mr. Dickson, it

is now represented by the hon. Member for Calgary-Buffalo, who is an Alberta Liberal Party member.

In closing . . . [Mr. MacDonald's speaking time expired] I'm sorry, Mr. Chairman.

Vote on Supplementary Supply Estimates 2008-09, No.2 General Revenue Fund

The Chair: Hon. members, it's 5:55. I hesitate to interrupt the hon. member, but pursuant to Standing Order 4(3) and Government Motion 6, agreed to on March 2, 2009, I must now put the question. Please occupy your own seat.

Those members in favour of each of the resolutions relating to the 2008-09 supplementary supply estimates, No. 2, for the general revenue fund for the fiscal year ending March 31, 2009, please say aye.

Hon. Members: Aye.

The Chair: Opposed, please say no. The motion is carried.
The committee will rise and report.

[The Deputy Speaker in the chair]

Mr. Mitzel: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

All resolutions relating to the 2008-09 supplementary supply estimates, No. 2, for the general revenue fund for the fiscal year ending March 31, 2009, have been approved.

Office of the Auditor General: expense and equipment/inventory purchases, \$750,000.

Agriculture and Rural Development: expense and equipment/inventory purchases, \$70,000,000.

Employment and Immigration: expense and equipment/inventory purchases, \$49,727,000.

Transportation: expense and equipment/inventory purchases, \$8,000,000.

The Committee of Supply has also approved the following amounts to be transferred.

Transfer from Justice: expense and equipment/inventory purchases, (\$7,400,000).

Transfer to Solicitor General and Public Security: expense and equipment/inventory purchases, \$7,400,000.

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

Hon. Members: Concur.

The Deputy Speaker: Opposed? So ordered.
The Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. Another excellent day of debate and discussion in the House, rather inspiring, I should say. In view of the hour being nearly 6 p.m., I would move that we now call it 6 p.m. and adjourn until 1:30 tomorrow.

[Motion carried; the Assembly adjourned at 5:58 p.m. to Thursday at 1:30 p.m.]

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Deputy Chair: Mr. Elniski

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