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The Honourable Kenneth R. Kowalski, Speaker

Legislative Assembly of Alberta

The 27th Legislature

Second Session

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Legislative Assembly of Alberta

1:30 p.m.

Wednesday, April 15, 2009

[Mr. Mitzel in the chair]

Prayers

The Acting Speaker: Let us pray. As Canadians and as Albertans we give thanks for the precious gifts of freedom and the peace we enjoy. As Members of this Legislative Assembly we rededicate ourselves to the valued traditions of parliamentary democracy as a means of serving our province and our country. Amen.

Please be seated.

Introduction of Guests

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

Mr. Prins: Thank you, Mr. Speaker. It gives me a great deal of pleasure today to introduce to you and through you to all members of the Assembly a group of children from Clive public school. They are accompanied by their teacher, Mrs. Christine Howe, and teaching assistants Mrs. Carrie Knight and Mrs. Jackie Healing and parent helpers Adam Schedlosky, Mrs. Hanne Giles, and Mrs. Jamie Hodgkinson. They are seated in the members' gallery. I would ask them to rise and receive the warm welcome of this Assembly.

Thank you.

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

Mrs. Sarich: Thank you, Mr. Speaker. Today it gives me great pleasure and is my honour to rise to introduce to you and through you to all members of the House visitors from my constituency of Edmonton-Decore. There are 44 students in the members' gallery from Northmount elementary school, who are joined by teachers Miss Jill Sharun and Miss Krystal Mah, teacher assistant Mrs. Deana Gates, parent helpers Mrs. Monique Pomeranz and Mrs. April Monkman. I would now ask that the students of Northmount elementary school, their teachers, teacher assistant, and parent helpers rise and receive the traditional warm welcome of this Assembly.

Thank you.

The Acting Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thanks, Mr. Speaker. I am delighted today to introduce to you and to all members of the Assembly some crackerjack students from Edmonton-Riverview, Our Lady of Victories school. I spoke with them before we entered the Assembly, and I can tell you that not only are they very bright and well educated; I think a handful of them might well end up being members of this Assembly some day. They are accompanied by teachers Mr. Mike Marr, Mrs. Laura Blythe, and Mrs. Therese Savard and parent helper Doreen Sasseville. They're in both galleries. I'd ask them to rise, and let's give them a warm welcome.

Thank you.

The Acting Speaker: The hon. Minister of Justice and Attorney General.

Ms Redford: Thank you, Mr. Speaker. I'm pleased to rise to introduce a very special guest this afternoon. His name is Andrew Halliday. He is my new constituency assistant, who has recently

arrived in Alberta from Prince Edward Island. I met Andrew some time ago. We share a common passion for politics. Despite his youth he has a deep understanding of this country and the important role of the Legislature and governments. He worked extensively in the Leader of the Opposition's office in Prince Edward Island. I am very pleased that he has been able to join us today. I'd ask him to rise in the members' gallery and receive the warm welcome of the House.

The Acting Speaker: The hon. Minister of Culture and Community Spirit.

Mr. Blackett: Thank you, Mr. Speaker. I'd like to rise today to introduce to you and through you to all members of this Assembly Mr. Francis Damberger, a U of A graduate and a producer and associate director of the Canadian war epic *Passchendaele*. Also joining us today, seated in the members' gallery, are location sound recordist Garrell Clark and costume designer Wendy Partridge.

Alongside his work on *Passchendaele* Mr. Damberger is a respected award-winning filmmaker whose credits include *On the Edge*, *Due South*, *Solitaire*, and *North of 60*, just to name a few. He is a true Renaissance man of the screen, with multiple writing, directing, and acting credits to his name. It is truly an honour to have such a talented and unique man with us today. I want to applaud his efforts and the efforts of the entire crew of *Passchendaele* for helping to create an opportunity to tell an Alberta-based story at home and abroad, not to mention the six awards that they won at the recent Genies, that I was lucky to be able to be part of, in Ottawa a couple of weeks ago. *Passchendaele* is no ordinary project, Mr. Speaker. It was a centennial-funded project that tells an important part of Alberta's history and is a memorial to our country's veterans and the sacrifices they made in the First World War. The entire film was shot in Alberta.

Mr. Speaker, I'd ask that the three individuals rise and receive the warm reception of this House.

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

Mr. Elniski: Thank you, Mr. Speaker. I'd like to introduce to you and through you to the members of this Assembly four people from Angel Flight Alberta. Organized in 2006, Angel Flight Alberta is a charitable organization that provides free and accessible air transportation for people who must travel for medical purposes. There are many individuals who need to travel to centralized medical facilities in Edmonton and Calgary who do not always have the financial means to pay. Angel Flight Alberta exists to serve Albertans in need. I'll be discussing this organization further in a member's statement, but for now I would like to introduce Dr. Kerry Pawluski, the founder; Mr. Ernest Pawluski, founder; Mrs. Mary Ellen Pawluski, who we affectionately now refer to as the mom of Angel Flights; and Mr. Peter Moloney, the director of Angel Flights. I would ask all four of them, who are seated in the members' gallery, to please rise and receive the traditional warm greetings of the Assembly.

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

Mr. Sandhu: Thank you very much, Mr. Speaker. I would like to introduce to you and through you to this Assembly 25 truck operators in the gravel hauling business. They are all sitting in the members' gallery. Many of these visitors live in my beautiful constituency of Edmonton-Manning. They are hard-working people, like all other Albertans. I would like to thank each and every one of

them for taking time out of their busy schedules to be here today. It was a great honour that the hon. Minister of Transportation was able to come and meet these truck operators as well. They are here today to thank our government for working with them to allow for common-sense change to hauling for loose loads of gravel. I would ask these fine gentlemen to stand and receive the traditional warm welcome of this Assembly.

Thank you very much.

Members' Statements

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

Vehicular Axle Weight Restrictions

Mr. Sandhu: Thank you again, Mr. Speaker. Earlier I introduced some truck operators from the Edmonton area who are sitting in the members' gallery today. I now rise today to speak about an issue that is important to my constituents and many other Albertans in the gravel trucking business.

When I was door-knocking last year, I met lots of truck operators who raised the issue of axle weight restrictions. That's why I had proposed Motion 610 urging the government to amend the Traffic Safety Act to allow for the shifting of loose loads during transportation. These truck drivers must follow the laws about the weights that they can haul, both for gross vehicle weight and also for limitations placed on each vehicle's axle. Truck drivers were being fined if their load shifted, making the load too heavy on one axle, even if the load was balanced at first but moved while driving.

Mr. Speaker, I am pleased to say that Department of Transportation officers are working with the truck drivers by generously providing for a 10 per cent weight allowance on an axle. I am very proud that this government has acted on this issue that was the subject of my first motion, being as it was very important to me and to my constituents. Overall, Mr. Speaker, these allowances are a demonstration of how the province is co-operating with Albertans on a common-sense issue.

I would also like to thank the hon. Minister of Transportation, the hon. Minister of Aboriginal Relations, from Edmonton-Mill Creek, who started working on this issue one year ago, and the Member for Whitecourt-St. Anne for their work on this file.

Mr. Speaker, this was my first victory as MLA for Edmonton-Manning. Thank you.

The Acting Speaker: Hon. members, we have another person celebrating a special day today, and that is the hon. Member for Lacombe-Ponoka. Please join me in wishing him the very best.

The hon. Member for Calgary-Varsity.

1:40

Budget Criticism

Mr. Chase: Thank you, Mr. Speaker. If this government's depression-recession recovery plan A is awful and there's no plan B backup, what can Albertans do to break their budgetary blunder blues? The traumatic duo of Red I and Pink Lloyd have made it too expensive to drown your sorrows, and you're too broke to smoke. If their boom-bust budget gives you a pain in the neck or lower extremities, you're out of luck because chiropractic services are no longer covered.

If you can't see your name on a cataract surgery list, it could be (a) your growing glaucoma, (b) the lack of publicly funded/staffed operating rooms, or (c) the exceeded budget for privately contracted services.

Forty per cent of single-coverage seniors have been double Blue Crossed by this government into covering the costs of the other 60

per cent. With the critical shortage of long-term care beds lucky senior lottery winners get first dibs on acute-care beds while the losers get hospital hallways.

Depending on how you spell it, superboard or superbored either refers to the centralized oversight of health services delivery or the perpetual state of mind of 80,000 and rising jobless Albertans unable to find work.

The once popular catchphrase Alberta advantage has now become a historical reference reserved only for Conservative cabinet ministers, who awarded themselves a 35 per cent raise last year and bonused their deputies and top-ranking officials to the tune of 40 million taxpayer dollars this year. The government ministers responsible for these excesses shouldn't be in charge of selecting new mottos for Alberta licence plates. They should be behind bars manufacturing them.

Whether you're one of the 21 per cent of eligible Albertans who mistakenly voted for these tired Tories or you're one of the 79 per cent that didn't, your opinion counts. Visit our Alberta Liberal caucus website at www.budget2009.ca or call us at 1.888.886.budg.

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

Angel Flight Alberta

Mr. Elniski: Thank you, Mr. Speaker. Dr. Kerry Pawluski, founder of Angel Flight, has been flying for 21 years. In those 21 years he has used the Edmonton City Centre Airport extensively. It has afforded him the opportunity to commute between Grande Prairie and Two Hills, where he has provided medical locum tenens services in the past. It has also enabled him to bring patients into Edmonton for admission to the Stollery or Royal Alexandra hospital for timely care. Dr. Pawluski is able to take in-patients from the Royal Alex hospital back to High Level or Stony Rapids, Saskatchewan, thus freeing up critical bed space in a timely fashion.

One of the major issues that Angel Flight sees on a daily basis deals with health care accessibility for rural Albertans. Angel Flight believes that without the Edmonton City Centre Airport, this issue of accessibility could worsen. This organization strives to ease the burden that individuals in need of health care face by utilizing a network of volunteer pilots, aircraft owners, and ground support.

Angel Flight Alberta is modelled after Angel Flight Vancouver Island, which serves a population one-quarter the size of Alberta's, with a geographic area one-tenth the size of this province. Angel Flight Vancouver has been in operation for the last seven years and consistently provides about 150 flights per year. This is the number which Angel Flight Alberta anticipates reaching in the near future.

Angel Flight's objective is to transport ambulatory patients whose medical and/or financial situations make it difficult or impossible for them to travel by conventional means. The service that Angel Flight Alberta provides to Albertans in need is truly commendable. They are one of the many organizations that rely on the Edmonton City Centre Airport. While Angel Flight Alberta operates from my constituency of Edmonton-Calder, it affects each and every one of your constituencies, both rural and urban. It is important to keep organizations like this one alive and well for all Albertans in need.

Thank you.

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

Education Awards

Ms Woo-Paw: Thank you, Mr. Speaker. The Calgary board of education's Barbara Bannon, principal of Olympic Heights elemen-

tary school, was recognized as a woman of vision by Global TV for her efforts in actively engaging and inspiring good deeds and hard work in her students, staff, and greater community.

Under Ms Bannon's leadership Olympic Heights has dedicated itself to creating an environment of peace in the school and surrounding community as a member of Peaceful Schools International. Barbara's vision has motivated students, parents, and staff at Olympic Heights to take on many humanitarian endeavours such as Children Changing the World. With the co-operation of her students and community they have contributed to the construction of 15 water wells in rural India and raised funds to help build schools for children in Africa.

Barbara has also championed environmental stewardship at her school. Through a partnership with Enmax and the Calgary board of education Olympic Heights became the pilot school for the Gen E program. The program gives students and teachers the opportunity to explore the environmental benefits of reducing greenhouse gases. Through this stewardship Barbara continuously promotes environmental responsibility and encourages staff and students to reduce their own environmental footprints.

Continuing on the environmental stewardship front, the Calgary board of education is being recognized as the first school board in western Canada to receive the EcoLogo environmental stewardship award. The CBE received the award for choosing environmentally preferable cleaning chemicals that help protect the environment as well as the health of staff and students. The CBE was nominated by Avmor Ltd. to receive this award, an award that recognizes organizations for their commitment to environmental protection through green purchasing. CBE received this recognition as it has successfully rolled out a comprehensive Clean for Health program.

I congratulate the Calgary board of education and Ms Bannon for receiving these awards.

Thank you, Mr. Speaker.

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

Royal Tyrrell Museum Education Award

Mrs. Sarich: Thank you, Mr. Speaker. It gives me great pleasure to inform this Assembly that Alberta's Royal Tyrrell Museum recently won a national award from the Canadian Museums Association. Each year the association presents awards to celebrate and encourage excellence within the Canadian museum sector. In January the Royal Tyrrell Museum's distant learning program was selected for an award for outstanding achievement in the education category. This is the second straight year that the Tyrrell has won an award for its efforts in educational programming. The museum received its award at the Canadian Museums Association annual conference in the month of March. Using video conferencing equipment in conjunction with the Alberta SuperNet, the Tyrrell has delivered 475 programs to over 12,800 students in Alberta, Canada, the United States, and abroad.

Mr. Speaker, this award is a testament to the high quality of educational programming at our province's museums and historic sites. The Tyrrell has also helped to meet one of the four key points of our province's cultural policy by ensuring that Albertans have greater access to our culture, in this case to education programs at our museums and historical sites.

Special heartfelt congratulations to all of the staff of the Royal Tyrrell Museum for their continued pursuit of educational excellence.

Thank you, Mr. Speaker.

Oral Question Period

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

Health System Restructuring

Dr. Swann: Thank you, Mr. Speaker. This administration continues to shoot itself in the hip as it dismantles Alberta's most cherished public health care system. What Albertans want is a careful, honest analysis of evidence, respect for public values, and a planned approach to change in the health care system itself. Instead, what we get resembles a car careening along the road and lurching into the right ditch. To the minister of health: what evidence did the minister use to create the Alberta Health Services Board?

1:50

Mr. Liepert: Well, Mr. Speaker, first of all, it seems like there's a little competition over there between the two opposition parties as to who can be the most outrageous in their preambles to the questions. I know that there's . . .

An Hon. Member: Who's winning?

Mr. Liepert: Well, I think they're both losing if you want to know the truth.

Mr. Speaker, I've answered that question on several occasions in this House. There were a number of reasons for the creation of the Alberta Health Services Board, and those reasons are going to continually become more obvious as we move forward. I would say that the most recent one is the fact that without one health services board it would have been very difficult to integrate emergency medical services into the health care system. I think that's the most recent one.

Dr. Swann: Again to the minister: what benefits can Albertans see right now from the creation of this Alberta Health Services Board?

Mr. Liepert: Mr. Speaker, I just answered that question. Over the next year we will lay out in conjunction with Alberta Health Services Board some performance measurements that we will hold the board and the management team of Alberta Health Services accountable for. I would suggest and I have said publicly that I think that anyone – only the Liberals and the *Calgary Herald* would have expected that we would have seen efficiencies during the administrative changeover. This is the test year.

Dr. Swann: Again to the minister: what is the health budget based on if a major decision like delisting 40 services isn't included?

Mr. Liepert: Well, I know that the Leader of the Opposition hasn't had much experience in drafting budgets, Mr. Speaker, but there is an incredible amount of input that goes into the drafting of a budget. I could go through all of those details, but it would seem to me that that would be an appropriate question to ask during estimates, when I can take all the time, up to three hours, to explain that to the hon. leader.

The Acting Speaker: Second question. The Leader of the Official Opposition.

Dr. Swann: Thank you, Mr. Speaker. The Premier has given this health minister an axe to perform complex surgery to our health care system. Yesterday in this House the minister admitted that the decision to cut gender reassignment surgery was not based on

medical advice. To the minister: is the minister of health going to create an expert panel to advise on which health services to delist? Yes or no?

Mr. Liepert: Well, Mr. Speaker, yesterday the Member for Calgary-Buffalo asked me a similar question, and I can repeat what I believe is in *Hansard*. One of the things that we have discussed is the need to create – for lack of a better term let’s call it an expert panel. This expert panel would operate in a similar way that the one on drugs does. It operates very well and gives good, independent advice to government on what should be covered under publicly funded health care and what shouldn’t be.

Dr. Swann: Well, yesterday the minister said that “there’s a list of some 30 or 40 different programs and grants and coverages that will not be proceeding.” If the minister already has a list of 40 programs he’s going to cut, will this expert panel simply be a rubber stamp for his decisions?

Mr. Liepert: Well, the expert panel, Mr. Speaker, would be one that would be more designed to look forward as new technologies and new procedures come into the marketplace and determine whether or not they should be publicly funded. I would hope that this panel, once up and running, would also have the ability to have the independency to take a look at what currently is covered under publicly funded health care and make recommendations to government.

The Acting Speaker: The hon. leader.

Dr. Swann: Thank you, Mr. Speaker. Will the minister table the list of 30 or 40 services that he’s planning to delist? If not, why not in the interests of transparency?

Mr. Liepert: Mr. Speaker, what we have found is that through our department we funded a number of programs and grants for a number of things and that there were some duplications in the previous health regions and sometimes in other departments. Now that we have one delivery arm of health care in this province, what we have decided to do is go through our budget and, appropriately so, send those delivery programs to Alberta Health Services. It will be up to Alberta Health Services to decide which programs are duplicative in nature and which ones should continue. What we need to ensure is that we’re not, as I say, duplicating services but, most importantly, having the right arm delivering the services.

The Acting Speaker: Third Official Opposition question. The hon. Member for Calgary-Currie.

Nurses’ Contract

Mr. Taylor: Thank you, Mr. Speaker. The Minister of Health and Wellness stated recently that he feels that the nurses contract in Alberta is a horrible deal, and in order to address the inefficiencies that deal caused, he doesn’t mind pushing for contract changes even if it “creates some angst among the union leadership.” To the minister: why is the minister punishing nurses when it was he and his government who created the inefficiencies in the first place? You guys signed the deal that you say is so bad.

Mr. Liepert: Well, Mr. Speaker, nobody’s punishing anybody. We have a contract with United Nurses in this province which the government – I must correct the member – did not sign. The

contract with the United Nurses of Alberta is with the former regional association. Any new contract will be negotiated with Alberta Health Services. We are in a different environment than we were when the last contract was signed.

The Acting Speaker: The hon. member.

Mr. Taylor: Thank you, Mr. Speaker. Dodged that bullet.

The nurses union has said that the solution is to hire more nurses because right now you don’t have enough part-time nurses in the system to cover the workload without running up a huge overtime bill. Why wasn’t this recognized back when the deal was signed?

Mr. Liepert: Mr. Speaker, we can debate whether hiring more nurses or having more nurses that work part-time work full-time is going to help solve the issue around the delivery of health care, but what this government is committed to do is ensure that we have a more efficient, more accessible health care system than we currently have today.

The Acting Speaker: The hon. member.

Mr. Taylor: Thank you, Mr. Speaker. That, of course, involves having enough bodies to deliver the services that the front-line patients need.

Given that this minister feels that front-line nurses should be taking the fall for the government’s failures, will the minister also be decreasing his own salary to reflect his own failures in the management of the public health care system in the province of Alberta?

Mr. Liepert: Well, Mr. Speaker, as is so typical of this particular member, he’s saying things that have never been said. Nobody is saying that anybody should be taking a pay cut, and I think that’s what he’s alluding to. Again, this is one of the issues we have in dealing with this particular opposition continuing to fearmonger out there and, quite frankly, not tell the truth in most cases.

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

Delisting of Medical Services

Mr. Mason: Thanks very much, Mr. Speaker. Well, the smiling mask of our Premier has finally slipped, and Albertans are seeing the grim privatization visage of Ralph Klein. The Premier hid his plans to privatize health care during the election, but last week he revealed his plans to delist services. It doesn’t matter if you call it a two-tier system, the third way, or private health care, it all means the same thing: Albertans won’t get the health care that they need. My question is to the Premier. Why won’t you admit that you’re taking advantage of this recession to do what you’ve always wanted: bring in U.S. two-tier health care?

Mr. Stelmach: Mr. Speaker, there have been perhaps two parties that talked about privatized two-tier American health care system; that has been the NDP and the Liberals.

Mr. Mason: Mr. Speaker, there’s one party that doesn’t talk about it but keeps trying to do it.

Alberta’s delisted health services now include chiropractic care, gender reassignment surgery, eye care, seniors’ drug coverage. Lab services are next, and physiotherapy is in the government’s sights. This government is systematically dismantling public health care in

Alberta, leaving Albertans of modest means out in the cold. To the Premier: why didn't you tell Albertans during the last election about your plans to resurrect the third way and to dismantle our public health care system?

Mr. Stelmach: Mr. Speaker, once again the leader of the third party is wrong. We were very clear in the commitment we made to Albertans during the last election, and that is that we support a publicly funded health care system. We're also going to ensure that the system that we enjoy today will be sustained well into the future not only for our children but for our grandchildren.

2:00

Mr. Mason: Mr. Speaker, the Premier would like Albertans to believe that, but in actual fact they don't want to end up sitting broke in wheelchairs, wracked with pain because they can't get the necessary services that they want because they can't afford them. The delisting of essential medical services will send more people to hospitals, increase wait times, and make health care more expensive. My question is to the Premier. When will you realize that the only way to maintain a healthy population is through a publicly funded and publicly delivered system, not the third way, not the fourth way, and certainly not the American way?

Mr. Stelmach: Mr. Speaker, I agree with him. We're all together in supporting a publicly funded health system, and we're going to ensure that health care is delivered in a timely and accessible fashion, that the system is effective, that it's accessible to all Albertans. We're going to work with all of the health care providers in this province to build in the efficiencies and the effectiveness and, most importantly, the sustainability for the next generation.

The Acting Speaker: The hon. Member for Strathmore-Brooks, followed by the hon. Member for Edmonton-Gold Bar.

Provincial Deficit

Mr. Doerksen: Thank you, Mr. Speaker. I believe that my constituents, like most Albertans, understand that the province is facing some economic challenges related to the global financial situation. They understand that we are in a deficit position for the first time in well over a decade, and they do want to understand this government's plan to deal with that. My first question is to the Minister of Finance and Enterprise. Can the minister assure Albertans with regard to the government's plan to deal with the current deficit situation?

Ms Evans: Mr. Speaker, I'm actually very pleased to answer this and to give an accolade to the hon. member asking the question for his work with grade 6 students in his constituency to make sure they understand what we're doing. With that in mind, I'm going to just say that the sustainability fund is our government's plan to deal with the deficit. It's part of our savings for emergencies, part of the way we protect ourselves when revenue drops. So when we don't have enough money to meet our expenses, it's like taking money from our savings account and putting it into our chequing account so that we can cover those expenses. This year we will spend \$4.7 billion to cover that deficit.

The Acting Speaker: The hon. member.

Mr. Doerksen: Thank you, Mr. Speaker. My second question to the same minister: will that drawdown affect the Alberta heritage savings trust fund in any way?

The Acting Speaker: The hon. minister.

Ms Evans: Thank you, Mr. Speaker. It's with those children in the town of Strathmore in mind that we're saving for the future. The heritage savings trust fund does just that. We have no intent to touch any portion of that fund. We will use the funds from the sustainability fund next year. Anticipating that this period of recession will continue, we'll use some \$2.8 billion to help, again, top up our chequing account. In the third and final year of what we expect to be a deficit situation, we'll use \$1.8 billion, expecting to return to a surplus situation in 2012.

The Acting Speaker: The hon. member.

Mr. Doerksen: Thank you. The third question to the same minister, Mr. Speaker. In the report on the budget there has been some combining of the capital and sustainability funds. Can the minister provide some clarity with regard to the future of those funds and what role they'll play into the future?

The Acting Speaker: The hon. minister.

Ms Evans: Thank you, Mr. Speaker. We understand that over the longer term there will be always some volatility in a very energy-rich province like we are, so we have protected for the shorter term savings in the sustainability fund, funds to make sure that we follow through with the capital commitments, with our carbon capture and storage commitments, with our commitments for the public transit through Green TRIP. In one entire account of \$17 billion we will be able to accommodate these expenditures during this period of a deficit. In short, when we get surplus funds, we will replenish this account so that we build it back up to roughly \$10 billion, at least to that level, before we put any other savings elsewhere.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Wetaskiwin-Camrose.

Delisting of Medical Services

(continued)

Mr. MacDonald: Thank you, Mr. Speaker. Since 1992 there have been 11 deputy ministers of health. We have gone from 17 health regions to nine health regions to now one supermess. While this government spends lavishly on bureaucratic reorganization, salaries, and multimillion dollar severances for senior executives and hand-picked advisers, it cuts core public health care services. My first question is to the minister of health. Why won't the minister of health just admit that it is this government's mismanagement, total mismanagement, of the public health care system that is the disease?

Mr. Liepert: Mr. Speaker, what I will admit is what I said yesterday in this House. It's these two parties who want to stay with the status quo. The status quo is not sustainable. If we stay with the status quo, we will have exactly what they say this government is trying to do, and that is more private health care because we won't be able to continue to afford to provide what we are today. So today we are making some very tough decisions to ensure that the publicly funded health care is here for generations to come.

Mr. MacDonald: Mr. Speaker, Albertans know that this minister and this government are willingly dismantling our public health care system.

Now, an access to information request shows that an \$1,800-a-day consultant to the Alberta Health Services Board was allowed to

charge thousands of dollars more to the taxpayers than his contract stated. In six months this consulting contract realized over \$240,000. Again to the minister of health: how can the minister of health fail in basic contract accounting and then cut public health care services to try to make up for his own mistakes?

Mr. Liepert: Mr. Speaker, I have no idea what he's talking about. If he wants to supply me with the information, I'd be happy to answer the question, and if he wants to show up at estimates in a couple of weeks, that would be an appropriate question to ask.

The Acting Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. The hon. minister knows exactly what I'm talking about.

Again to the hon. minister. When the Alberta Health Services Board, that this minister controls and hand-picks, fired its executive operating officer after just eight months, Albertans were left on the hook for potentially over a million dollar severance package for one executive. How can the minister of health now turn to vulnerable Albertans such as sick Albertans and senior citizens and take away their services in order to pay for your own mismanagement?

Mr. Liepert: Let's make sure we have it on the record. In this particular budget that we've just brought forward, Alberta Health Services has an additional \$550 million to deliver services to Albertans. This particular government, Mr. Speaker, is ensuring that out of all of the departments health care received the largest increase in expenditures. We are committed to a publicly funded health care system.

The Acting Speaker: The hon. Member for Wetaskiwin-Camrose, followed by the hon. Member for Edmonton-Riverview.

First Nations Consultation Capacity

Mr. Olson: Thank you, Mr. Speaker. My questions are all for the Minister of Aboriginal Relations. First Nations receive numerous consultation requests, very often from industry, regarding everything from clearing of trees, building of roads, bridging creeks, oil and gas wells, and so on, and I think that a lot of the times they don't have the capacity to respond as quickly or as thoroughly as everyone would hope. I have some concerns about this capacity issue, and I'm wondering if the minister can advise what he's doing to make sure that the First Nations can respond to these requests.

The Acting Speaker: The hon. Minister of Aboriginal Relations.

Mr. Zwozdesky: Mr. Speaker, thank you. Thank you, hon. member, for the question. It's a very serious issue. Consultation is something we take very seriously, and I know industry does, too. Obviously, First Nations are critical partners. We do a lot to help them through a program called the consultation capacity investment program. In fact, this year, hon. member, we'll be providing another \$6.6 million to help facilitate that consultation capacity. In central Alberta, around the area where the hon. member serves, we provided over a quarter of a million dollars just recently to help facilitate consultations in that area. We also have the important traditional use studies program.

The Acting Speaker: The hon. member.

Mr. Olson: Thank you. Yes. Regarding the traditional use studies, I know they yield critical information that's needed, and I under-

stand that they're living documents, that they don't necessarily get done once and come to an end. I'm wondering what the minister's intention is in terms of continuing the support for this program so that that information is readily available.

2:10

Mr. Zwozdesky: Mr. Speaker, that was a three-year program that was scheduled to end March 31 of this year, but I'm happy to inform the House and this hon. member in particular that we were successful in getting that program continued. We'll be adding 1.7 million new dollars into that traditional use studies program because it does yield that critical information. That'll bring our total investment over the past six years up to over \$12 million for traditional use studies, a very important consultation piece.

The Acting Speaker: The hon. member.

Mr. Olson: Thank you, Mr. Speaker. My last question relates to the other side of the coin, which is the need for industry to have certainty and predictability. I'm wondering, from an industry perspective, what specific steps are being taken to ensure that within the existing consultation process they are receiving that kind of timely information and help.

Mr. Zwozdesky: Well, Mr. Speaker, there are several initiatives that the Ministry of Aboriginal Relations provides and has under way at the moment. For example, we are going to be reviewing the 2005 First Nations consultation policy and guidelines. We'll also be looking at the aboriginal policy framework. We also are developing a trilateral process involving First Nations, industry, the government of Alberta. At the same time we also have the new protocol agreement signed by our Premier, the grand chiefs, and myself, and that ensures and guarantees annual meetings, at least three per year, that will help with the particular issue at hand.

The Acting Speaker: The hon. Member for Edmonton-Riverview, followed by the hon. Member for St. Albert.

Mazankowski Alberta Heart Institute

Dr. Taft: Thanks, Mr. Speaker. The cardiovascular intensive care unit at the Mazankowski heart centre, according to the Alberta Health Services website, is "a 20-bed dynamic, fast-paced unit providing care to patients pre and post open-heart surgery." The website also lists its hours of operation: zero. In fact, the hours of operation for the cardiac rehab program, the cardiology in-patient unit, and almost every other program at the Mazankowski are listed as zero. Things are better for the lost and found, which has been open for one hour. Maybe the minister of health should go there to look for his lost credibility. To the Minister of Health and Wellness: a year after the official opening why does the Mazankowski stand empty?

Mr. Liepert: Well, Mr. Speaker, it's my understanding that there have been some issues around commissioning this particular facility. It is a highly technical facility. I will say that it's important for this member to recognize that it was not the government of Alberta that had the official opening. It was the former Capital health region that had the official opening. What we want to ensure is that when patients are in that facility, there are no safety issues. If the member wants to stand here and say, "Open the building before you're satisfied that it's safe," then have him do so.

The Acting Speaker: The hon. member.

Dr. Taft: Well, thanks. The fact that the Mazankowski institute stands empty a year after it was officially opened is a testament to this government's inability to manage a public health care system. Staff and patients are furious, Mr. Speaker. They rightly believe that this government and this minister are not competent to run the health care system. Will the Minister of Health and Wellness admit that the construction of the Mazankowski institute has been brutally bungled by this government?

Mr. Liepert: Well, Mr. Speaker, the reality of it is that this government is not managing the construction of the Mazankowski Heart Institute. It started out under the Capital health region and is currently being managed by Alberta Health Services. Now, I have recently been in contact with the new CEO of Alberta Health Services. He assures me that . . . [interjections] I don't know if the yipper over here wants the floor or not, but if he wants it, he can have it.

The Acting Speaker: The hon. member.

Dr. Taft: Thanks, Mr. Speaker. Cardiac intensive care unit hours of operation, zero; echocardiography lab, zero; ECG-Holter monitoring lab, zero; cardiovascular surgery in-patient unit, zero; and on and on the list goes. Given that the Minister of Health and Wellness has misled his Premier, who thought that facility was fully operating, and has misled this Assembly about the functioning of the Mazankowski, will he at least give this Assembly a list of the commissioning and engineering problems that have led to this delay?

Mr. Liepert: Mr. Speaker, cardiac patients in this province today receive some of the best care in the world. For this particular member to stand here and say what he's saying is an insult to the medical community of this province.

The Acting Speaker: The hon. Member for St. Albert, followed by the hon. Member for Lethbridge-East.

Dirt Fill for Anthony Henday Drive

Mr. Allred: Thank you, Mr. Speaker. The contract for the north-west leg of the Anthony Henday ring road was let in August of last year, and I continue to be amazed at the progress that they're making adjacent to St. Albert. The amount of earth that has been moved and the progress on several of the overpass structures has been beyond expectations. In the open houses held last year, residents were advised that several tree stands within the transportation and utility corridor would be preserved. Now it appears that these tree stands have been removed in order to accommodate excess excavation. My question is to the Minister of Transportation. Why did trees have to be removed to stockpile excess dirt?

Mr. Ouellette: Well, Mr. Speaker, the trees were recently cleared so that we could permanently store excess dirt removed from the interchange at St. Albert Trail. The reason we have all this surplus material is due to the fact that we've excavated Anthony Henday Drive below St. Albert Trail. It's been dug down to reduce the noise and visual impact of the interchange, and the surplus material has been placed along the outside edge of the roadway.

The Acting Speaker: The hon. member.

Mr. Allred: Well, thank you, Mr. Speaker. A supplemental to the same minister: is it not customary in road design to balance the cuts

and fills in order to optimize haulage distances and avoid having to either borrow or waste dirt from offsite?

Mr. Ouellette: Well, Mr. Speaker, yes, we typically balance all the cuts and fills. In fact, to a large degree that's what's being done there. The excess dirt from St. Albert Trail is being hauled to other interchanges where the dirt is needed. For example, it's being hauled to the bridges at Yellowhead Trail and 137th Avenue, but unfortunately there's so much extra dirt that we've needed to store it near that interchange.

The Acting Speaker: The hon. member.

Mr. Allred: Thank you, Mr. Speaker. My final supplemental to the same minister: in view of the fact that there is excess material, can this material be used to construct and landscape berms in order to reduce traffic noise from the completed freeway? Also, can some of the trees that have been removed be replaced?

Mr. Ouellette: Yes, Mr. Speaker, we can and we will be landscaping the excess dirt. We'll be shaping the mounds and seeding them with grass. The mounds of excess dirt will be wide and flat and about two and a half metres high. For nearby residents that will help to provide some visual screening from the road. Although the excess dirt was not designed for noise attenuation, it will help reduce noise, I'm sure, from the roadway.

The Acting Speaker: The hon. Member for Lethbridge-East, followed by the hon. Member for Edmonton-Strathcona.

Blue Cross Premiums

Ms Pastoor: Thank you, Mr. Speaker. The minister of Health has said that his justification for tripling the cost of premiums for nongroup participants was to bring Blue Cross more in line with employer and private insurance plans. Is it not a contradiction for a minister of a public health system to feel that his top priority is to make our public health care compete with private insurance plans? To the Minister of Health and Wellness: can the minister clarify if he was referring to the cost of the coverage or the services being covered when he said yesterday in this House that it was necessary to bring Blue Cross up to the equivalency with the employer plans?

Mr. Liepert: Mr. Speaker, the government of Alberta offers through Blue Cross a government program for some hundred thousand Albertans for supplemental insurance. The premiums for that particular plan have not increased since 1993. The government of Alberta was subsidizing a hundred thousand Albertans to a significant degree with their supplemental insurance, to the point where we were having employees of corporations or employer plans drop off those particular plans and subscribe to the government-run plan. If the Liberal opposition wants us to subsidize an insurance plan for some hundred thousand Albertans, then say so.

2:20

Ms Pastoor: That was a bit of a reach.

The most recent financial statements from Blue Cross show that it has positive net assets and even ran a surplus. Why was it necessary to increase the premiums, or is this the first step to privatizing Blue Cross for profit?

Mr. Liepert: Mr. Speaker, the question shows how naive this particular opposition is about how this particular program runs, so

let me explain it to them. Blue Cross is a not-for-profit corporation. They do, however, on behalf of the government of Alberta administer our government plan. The government plan has absolutely nothing to do with the profits or lack of profits that Blue Cross makes on its private insurance plans. I hope it's clear to the member.

Mr. MacDonald: It's like crop insurance.

Ms Pastoor: Yeah. Exactly.

One of the questions we've received for Budget 2009 is from Victor in Edmonton. "My wife and I, both seniors, live on pensions. Both being cardiac patients, we spend almost \$600 a month on prescription drugs. The proposed government drug plan starting in 2010 will mean our paying several thousand dollars before benefits kick in. My question: barring selling our home or going back to work, where do we get the money to pay for this?"

Mr. Liepert: Mr. Speaker, let me assure Victor, as I have assured the Member for Lethbridge-East, that we have heard from seniors that in light of a changed economic environment there are some issues around the seniors drug plan that we announced last December. I have been very clear in this House on probably more occasions than I'd like to remember that we are reviewing this particular program, and I hope that within the near future we can be in a position to bring something forward that would more reflect the economic times we're in.

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

Delisting of Medical Services

(continued)

Ms Notley: Thank you. Mr. Speaker, physiotherapy is a preventative service that reduces the overall health costs of ailments like breast cancer, cerebral palsy, spinal cord and brain injuries, and arthritis. Albertans who use physio are trying to do what this minister keeps telling them to do: take the time to take personal responsibility for their health. To the minister of health: why won't you admit that delisting services like physiotherapy means that we'll pay more and we'll pay later for the more expensive acute care that physio could have prevented?

Mr. Liepert: Well, Mr. Speaker, yesterday in response to the question I said that it was a dishonest question, and I'll explain why I said that. Nobody has delisted physiotherapy, so the preamble to the question is dishonest.

Ms Notley: Well, Mr. Speaker, if the minister is going to get up and commit right now to not delisting physio, I'm quite happy to hear it, but until then, delisting physio doesn't make the costs go away. It just transfers them directly to the sick. The wealthy will line the pockets of insurance companies in a bid to get care, the price of services will increase, and regular Albertans will do without. To the minister of health: why won't you stop this political drive to hand over our health care system to insurance companies and, instead, right now commit to not delisting and admit that prevention services like physio keep people healthy, out of the hospitals, and on the job?

Mr. Liepert: Mr. Speaker, what this government will commit to is what Albertans want us to commit to, and that is to a publicly funded health care system that is sustainable into the future for our children

and our grandchildren. I know that the particular member of the opposition doesn't like that because that goes against what she believes in, and that is that we should tax everybody to death, that the Crown should own everything, that we should pay for everything, and it goes on and on and on.

Ms Notley: Mr. Speaker, this plan, this policy has nothing to do with sustainability and has nothing to do with the bottom line because his plan is going to hurt Albertans' bottom line, and he knows it. These people are struggling just to hang onto their jobs, and you want to dismantle health care, and you want to burden them with higher health care costs. How will you explain to Albertans who need physiotherapy, chiropractic therapy, that this government is no longer interested in helping them get healthy and back on the job?

Mr. Liepert: Mr. Speaker, I don't know of anyone who needs physiotherapy today that isn't going to get physiotherapy the same way they did yesterday, so the question is irrelevant.

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

Victims Restitution and Compensation

Mr. Fawcett: Thank you, Mr. Speaker. This government is committed to hitting organized crime and gangs where it hurts the most, the wallet. The Victims Restitution and Compensation Payment Act is a good example of this. Can the Minister of Justice provide this Assembly with an update on the effectiveness of this legislation?

The Acting Speaker: The hon. Minister of Justice and Attorney General.

Ms Redford: Thank you, Mr. Speaker. Thank you for the question, hon. member. I'm pleased to say that we've now had almost four months of success with this legislation. The key message that we have been trying to communicate – and I think the public are helping us to do that – is that we need to ensure that if people are committing criminal activity, we are hitting them where it counts, that we are able to take property that has been either purchased as a result of criminal activity or is property that will be used in the commission of a crime. We think it's very important, as we proceed through this, that we highlight the successes that we've had. I think members of the public who watch the news will have seen in the last two months tremendous seizures of property, applications with respect to forfeiture that deal with vehicles, houses, and property used to steal fuel.

The Acting Speaker: The hon. member.

Mr. Fawcett: Thank you, Mr. Speaker. To the same minister. Recently the federal government announced some legislative changes to the Criminal Code aimed at gangsters. While due justice is an important value, my constituents believe that we must tackle the issue of gang activity and violence through a multipronged approach which seriously diminishes the lucrative lifestyle of organized crime. Will the minister inform this Assembly of any additional work her department is doing to accomplish this objective?

The Acting Speaker: The hon. minister.

Ms Redford: Thank you, Mr. Speaker. When the Premier announced the safe communities initiative, he was very clear that we need to deal with the immediate issues facing this community. We have to deal with enforcement. We had to deal with prosecution. The safe communities plan is a three-year plan. We need to accomplish a lot in those three years. But what we have to do, most importantly, now that we've dealt with enhanced policing and enhanced prosecutions, is look to the root causes of crime. We have to get involved in education and awareness. We're hosting a gang summit in June. The Premier will be speaking at that. What he will be doing at that is announcing a long-term gang prevention strategy that will include education and awareness and making sure that people don't end up in lives of crime.

The Acting Speaker: The hon. member.

Mr. Fawcett: Thank you, Mr. Speaker. My final supplemental to the same minister. At this time of year many Albertans are feeling a sense of frustration as they're preparing and submitting their 2008 tax forms to Revenue Canada. Can the Minister of Justice inform this Assembly on any work or initiatives she is undertaking with our federal government to link law enforcement and Justice officials with Revenue Canada to ensure that appropriate resources are directed at investigating the assets and proceeds of criminal gangsters, not law-abiding taxpayers?

The Acting Speaker: The hon. minister.

Ms Redford: Thank you, Mr. Speaker. This is a very important piece of the work that we're now able to do under this legislation. We have to work closely with the federal government, but one of the reasons we introduced this legislation is that we need to target the property that's involved in crime. We have civil forfeiture officers in our police services that are new this year that are working with our prosecutors. One of the things that they do is work with the RCMP's integrated proceeds of crime unit to identify opportunities where we may see property that has been purchased as a result of criminal activity that we may be able to make applications to seize.

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

Public Education Exemptions

Ms Blakeman: Thank you very much, Mr. Speaker. The Minister of Culture and Community Spirit has been musing aloud recently about a proposal to entrench parents with a legal right to prevent their children from receiving education on any subject or issue that these parents regard as unacceptable from a religious perspective. There are a number of unanswered questions and long-ranging consequences from such a legislative change. My questions are to the Minister of Culture and Community Spirit. Will any parameters be placed on this parental opt-out? For example, can parents remove children from a classroom if a non-Christian-based religion is being taught?

Mr. Blackett: Mr. Speaker, when I was asked by a member of the media about parental rights, it was in response to the hon. Minister of Education, who in this House answered that particular question, and I said that the United Nations has it entrenched in its particular charter. It was a comment at the time. We haven't made any decisions as a caucus on human rights legislation on the whole. When we have something to report, we'll bring that to this House.

The Acting Speaker: The hon. member.

Ms Blakeman: Well, thank you very much. One of the questions that keeps coming up is around sexual orientation. Back to the same minister: can the minister explain where in the curriculum sexual orientation is taught? Is there a module for gay 101 or some sort of course that they take that a parent could remove a child from? Could you explain that, please?

2:30

Mr. Blackett: Mr. Speaker, I don't understand where the member is going here. I'm not the Minister of Education. As far as I know, sexual orientation, as far as I can see with my own kids in the educational system, isn't there, so I don't see what the point of the question is.

Ms Blakeman: Excellent response.

Back to the same minister: why is the minister contemplating changing the human rights act when the ultimate goal of this administration is to give direction to the school board and to the curriculum, which is exactly what the minister has noted? So why the human rights act?

Mr. Blackett: Well, funnily enough, Mr. Speaker, I was in here from the first day, I think, some time over 12 months ago and had nothing from the opposition – on the human rights act, if you look at *Hansard*, they have asked no question but about having sexual orientation included and having it done immediately.

Ms Blakeman: What? Are you crazy?

Mr. Blackett: Am I crazy? Look at *Hansard*. You're a one-trick pony. Are you kidding: am I crazy?

The Acting Speaker: The hon. Member for Calgary-Fort, followed by the hon. Member for Calgary-Buffalo.

East Calgary Health Centre

Mr. Cao: Well, thank you, Mr. Speaker. Over a year ago the then Minister of Health and Wellness together with myself and the hon. Member for Calgary-East broke ground for the construction of the east Calgary health centre. Recently I heard that the building construction has been completed but that the inside was put on hold. This is unacceptable to my colleagues in the area. My question today is to the hon. Minister of Health and Wellness. What is going on with this project, Minister?

Mr. Liepert: Well, actually, that's maybe the toughest question I've had all day, Mr. Speaker. I guess one of the anomalies that was discovered as we move from various regions to one health region was that in the case of the facility in east Calgary the building was built, but no money was set aside to do leasehold improvements. So we've had a building sitting there for quite some time that has not been usable. I'm pleased to say that in the capital plan that we released with this budget, we have included some \$13 million for leasehold improvements for that particular facility.

The Acting Speaker: The hon. member.

Mr. Cao: Thank you, Mr. Speaker. It's good news.

Now, given that the construction will be going on, my question is: what kind of service will be delivered through that health centre?

Mr. Liepert: Well, it will be a full-service facility, including healthy living promotion, chronic disease management, mental health services, a whole host of services. It'll be a nice complement, Mr. Speaker, when the quarter-billion-dollar expansion of the Peter Lougheed comes on at the end of August, which between the two facilities will significantly enhance the service to the residents of east Calgary.

The Acting Speaker: The hon. member.

Mr. Cao: Thank you, Mr. Speaker. To the same hon. minister: when can the constituents of Calgary-Fort and Calgary-Montrose and Calgary-East expect the opening of the centre?

Mr. Liepert: I'm told by Alberta Health Services that they are in the accelerated stage of getting a contract finalized and that they're hopeful that construction can begin almost immediately. It's probably going to take somewhere between five, six, eight months to get completed. Hopefully, it would be nice if that facility was up and running by Christmastime, hon. member.

The Acting Speaker: The hon. Member for Calgary-Buffalo, followed by the hon. Member for Edmonton-Mill Woods.

Sand and Gravel Royalties

Mr. Hehr: Thank you, Mr. Speaker. In his October 2008 report the Auditor General noted that sand and gravel royalties have not changed since 1991. Further, the Auditor was unable to find any evidence of a royalty review since that time. To the Minister of Sustainable Resource Development: why did the government not review the royalty framework for over 17 years?

Dr. Morton: Mr. Speaker, our ministry does have responsibility for sand and gravel under the lands department. The question of gravel rates is reviewed from time to time internally, and it's been determined that as it stands, it's appropriate.

Mr. Hehr: The Auditor General also reported that the ministry lacks the control to ensure that all revenues from sand and gravel are recorded and that due to the Limitations Act the ministry may never be able to fully collect these royalties. To the same minister: how does the minister justify this mismanagement to Albertans?

Dr. Morton: Mr. Speaker, I'm happy to report that those recommendations from the Auditor General have been acted upon, and that'll be reflected in future reports.

Mr. Hehr: The Auditor further notes that usage amounts for sand and gravel are self-assessed by companies and that the ministry is at least one year behind on many of the reviews of these assessments. The largest gravel mine needs to be reviewed back to 1990. To the same minister: if we've acted on all of these assessments, has this assessment back to 1990 on the largest gravel producer now been completed?

Dr. Morton: Mr. Speaker, I don't know the exact answer to that question, but I can say that, particularly in these times of economic hardship, our view in regulation is not to hire lots of civil servants to run around and monitor everything but to put in place outcome-based regulation, where we get the results at a reasonable price.

The Acting Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Calgary-Varsity.

Research and Innovation Funding

Mr. Benito: Thank you very much, Mr. Speaker. The development of a knowledge-based economy is critical to Alberta's future success. To the Minister of Advanced Education and Technology. My constituents of Edmonton-Mill Woods are wondering: how is this government fostering the growth of businesses that conduct research and development in this province?

The Acting Speaker: The hon. minister.

Mr. Horner: Thank you, Mr. Speaker. A very good question. Over the years this government has maintained a policy of very, very low tax rates for our businesses, which has obviously been a huge benefit to the people of Alberta given the amount of people who are employed in our province today. In addition to that, last year we announced a platform of programs for the knowledge-based economy of the future which included a science and research experimental development tax credit, which makes us even more competitive amongst other jurisdictions. That credit is a 10 per cent research and development credit on up to \$4 million in research, so up to a \$400,000 credit. It is certainly having the desired effect in that companies are looking to Alberta to come and do research and development here.

Mr. Benito: My first supplemental to the Minister of Finance and Enterprise: what is the anticipated net economic effect of the Alberta scientific research and experimental development tax credit?

The Acting Speaker: The hon. Minister of Finance and Enterprise.

Ms Evans: Yes. While we're still in the early stages, we see this refundable tax credit as a fairly significant incentive. I know that both the Minister of Advanced Education and Technology and our own department receive a number of questions. Because it is a refundable credit, companies will benefit even if they don't yet pay income tax. It is a refundable credit available to them. It's important for early-stage companies as well as for those emerging technology companies that might be more advanced in their thinking but have new opportunities because of the tax credit.

Mr. Benito: My second supplementary to the Minister of Finance and Enterprise: how will this tax credit help new technology companies who might not earn enough income to pay tax?

Ms Evans: That credit remains, so it's still there when they at some point in time will have to pay tax, and then they will be able to draw on that credit. We expect that the annual benefit of the credit to Alberta companies will be in the neighbourhood of \$60 million. Mr. Speaker, I've always felt that the best news story would be that we had paid out tax credits of a hundred million, maybe \$200 million. It would speak clearly and eloquently to the number of companies that are emerging to do good business and to expand their businesses here in Alberta. That's exactly what we want: the creation of jobs and the creation of opportunity.

The Acting Speaker: The hon. Member for Calgary-Varsity, followed by the hon. Member for Calgary-East.

Parks and Wildlife Preservation

Mr. Chase: Thank you, Mr. Speaker. The Ministry of Tourism, Parks and Recreation business plan notes that the ministry will be going forward with creating "more campgrounds that accommodate larger trailers." The government's 2008 Survey of Albertans'

Priorities for Provincial Parks notes that 61.3 per cent of Albertans want to protect more natural land and leave it undisturbed. Why is the minister continuing a policy, as Joni Mitchell would say, of paving paradise and putting up a parking lot?

2:40

Mrs. Ady: Well, Mr. Speaker, I don't think that's correct at all. I think that our ministry will be reflecting in the park plan, which will be announced sometime next week, a balance between conservation and recreation. This is a very big province with lots of opportunities, and this government is actually very proud of its record of creation of new parks.

Mr. Chase: Yes, it is a delicate balance between concrete and conservation, but you're losing the fight.

The business plan also highlights policy to build more trails for all-terrain vehicles, yet the government's own survey of Albertans' priorities again shows that 71 per cent of Albertans are opposed to increased off-road vehicle infrastructure. Why is the minister going forward with a policy that will further disturb and destroy what's left of our natural protected areas?

Mrs. Ady: Well, Mr. Speaker, I have to disagree with the hon. member. I've said before in this House that we want a well-managed trail system in this province. We can either let the problem manage us, or we can manage it. We've got the hon. member across the way heading up a committee to bring back to us recommendations that help us manage this issue.

The Acting Speaker: The hon. member.

Mr. Chase: Thank you. You didn't manage it at Indian Graves two years ago. You didn't manage it at McLean Creek last year. I can hardly wait till this year.

Why doesn't the minister and this government support a policy which sees funding going towards park and wildlife preservation as opposed to ripping up and paving over vast tracts of provincial parklands?

Mrs. Ady: Well, Mr. Speaker, as I said before, this government has a really good track record when it comes to increasing parks, and I can of course go over that with you. The OH Ranch, that we brought in this year, brought us some 20,000 acres of grassland ecology. We had the Eagle Point provincial park and recreation area, another great example. We've got the Lois Hole centennial park, the river valley park. Oh, I could go on and on. I would say to the hon. member that he's not correct. This government has done a good job.

Members' Statements

(continued)

The Acting Speaker: The hon. Member for Bonnyville-Cold Lake.

Supportive Living Units in Bonnyville-Cold Lake

Mrs. Leskiw: Thank you, Mr. Speaker. It is a pleasure this afternoon to speak to an aspect of Budget 2009 that will greatly affect the people in my constituency and all Albertans. Seniors make up a large part of my constituency, and currently there is no assisted-living facility in Bonnyville-Cold Lake and the MD of Bonnyville. Through Budget 2009 Seniors and Community Supports will be providing capital funding in the form of \$150 million over the next three years for affordable supportive living initiatives, or ASLI. This is in addition to the \$84.4 million in ASLI funding for the 2008-09 fiscal year.

Some of the recent funding given through this program to Cold Lake will help build an assisted-living complex called Points West Living. This facility plans to meet the needs of seniors in the Cold Lake community by developing 24 DAL suites, 21 supportive living apartments, and 21 life lease apartments. Mr. Speaker, this is a total of 84 suites for the residents in need. This housing is affordable and intended to give seniors choice, support while maintaining their dignity and quality of life. I am so excited to see this funding being utilized in a way that benefits the people in my constituency.

I would like to thank the Minister of Seniors and Community Supports for this increased support, support that many Albertans need. This reflects the Alberta government's long-term commitment to supportive living. Since 1999 the government has provided \$365 million in funding to support the development or modernization of close to 8,000 supportive living units. Our province is committed to seniors aging in the right place, and through actions in my constituency and across Alberta it is becoming a reality.

Thank you, Mr. Speaker.

The Acting Speaker: Before we move on, may we revert to Introduction of Guests?

[Unanimous consent granted]

Introduction of Guests

(continued)

The Acting Speaker: The hon. Minister of Employment and Immigration.

Mr. Goudreau: Thank you very much, Mr. Speaker, for allowing me to introduce to you and through you to the rest of this particular Assembly three individuals from my constituency. They've travelled quite a few miles to be with us today. These three individuals are Ryan Gauthier and his brother Brett, accompanied by their mother, Rhonda Clarke-Gauthier. These individuals have been extremely involved in the parliamentary process and have been to the Legislature a few times and have been able to debate legislation through some of the programs that are offered through the province of Alberta. As well, this family is very, very keen on 4-H and are active members of 4-H clubs, and the mom is actually a leader of the 4-H club in the Donnelly community. I would like the Assembly to officially welcome them by offering them the traditional warm welcome. Please rise if you can.

The Acting Speaker: The hon. Member for Lesser Slave Lake.

Ms Calahasen: Thank you very much, Mr. Speaker. I would like to introduce to you and through you to all the members of the Assembly – and I'm sure she's not new to anyone here – my assistant, Hana Marinkovic, and her friend, who are seated in the members' gallery. I'd ask that they both stand and receive the warm welcome of this Assembly.

Introduction of Bills

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

Bill 205

Election Finances and Contributions Disclosure (Third Party Advertising) Amendment Act, 2009

Mr. Anderson: Thank you, Mr. Speaker. I request leave to introduce Bill 205, the Election Finances and Contributions Disclosure (Third Party Advertising) Amendment Act, 2009.

Bill 205 would clarify the parameters of third-party election advertising during provincial elections.

[Motion carried; Bill 205 read a first time]

Tabling Returns and Reports

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

Mr. MacDonald: Yes. Thank you very much. As requested by the minister of health, I have a number of tablings today regarding questions on the agenda. The first tabling I have is an invoice from J.L. Saunders & Associates Inc. It is for work done from November 1 through to the 27th of 2008, plus a contract cancellation fee. It's a total invoice for \$47,000.

I have another invoice here from J.L. Saunders & Associates Inc. from October 1 through to the 31st, 2008, and it's for 43,800 and some-odd dollars.

The third invoice I have is also from J.L. Saunders & Associates Inc., and it's for a period of time from September 1 to the 30th. It's for consulting fees, and it's for \$42,360.

The Acting Speaker: Hon. member, is it your intent to read all of those sheets?

Mr. MacDonald: That was the end of it, Mr. Speaker. I have other tablings as well. The minister of health challenged me to provide this information, and I think for the House I should.

This is an agreement, copies of the agreement for consulting between J.L. Saunders & Associates Inc. and East Central health.

The last tabling I have is from July 22, 2008. It's a letter to the hon. minister of health from Charlotte Robb, interim chief executive officer, regarding the employment letter of Paddy Meade.

Thank you.

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

Mr. Mason: Thank you very much, Mr. Speaker. I have two tablings today. I'd like to table the appropriate number of copies of information from the Canadian Physiotherapy Association. These benefits were referred to today in question period by my colleague the MLA for Edmonton-Strathcona.

Also, I would like to table the appropriate number of copies of two letters expressing concern about the cancellation of public funding for gender reassignment surgery. They state that such procedures are medically necessary and that cancelling public funding will cost the government more in the long run. The letters are from Marcus Peterson and Nicole Hankel.

Thank you very much.

2:50

Tablings to the Clerk

The Clerk: I wish to advise the House that the following document was deposited with the office of the Clerk: on behalf of the hon. Mr. Liepert, Minister of Health and Wellness, response to Written Question 5, asked for by Mr. Mason on April 6, 2009.

The Acting Speaker: Hon. Member for Calgary-Bow, you rose on a point of order. You caught my eye. Do you wish to speak?

Point of Order

Members' Statements

Ms DeLong: Thank you very much, Mr. Speaker. We do have a rule in this House that there are no points of order allowed during a

member's statement, but that rule is based on a certain self-control being exhibited by the members. I did not hear that in the member's statement, so I did believe that I needed to draw that to the attention of the House. I apologize for taking up the time of the House.

Thank you.

The Acting Speaker: Thank you, hon. member. The hon. member is correct. There are no points of order during members' statements. Since 1993, when Members' Statements was first introduced, the agreement was that all of the statements would be on something that is happening within your constituency, to bring something to light that is a positive to the benefit of your constituency. On that point, it sort of has deviated a little bit from that once in a while. I think that taking into account, certainly, perhaps the notoriety that the hon. Member for Calgary-Varsity has gained with some of his waxing eloquent, there was no malicious intent involved in this. The ruling is that there is no point of order on this.

Orders of the Day

Committee of Supply

[Mr. Cao in the chair]

The Chair: The hon. Deputy Government House Leader.

Mr. Zwodzesky: Thank you, Mr. Chairman. I wonder if we could have unanimous consent to just recess for about three or four minutes.

[Unanimous consent granted]

[The committee adjourned from 2:54 p.m. to 2:58 p.m.]

The Chair: Let's call it 3 o'clock now. I would like to call the Committee of Supply to order.

Main Estimates 2009-10

Executive Council

The Chair: I would like to call on our Premier to move the estimates.

Mr. Stelmach: Thank you, Mr. Chairman and hon. members. I'm pleased to appear before this committee to move and discuss the 2009-10 Executive Council budget estimates and also the '09-12 business plan. Executive Council is a vital part of government operations, with staff serving Albertans in a number of ways, from promoting good governance of government agencies to facilitating two-way communication with Albertans.

I'd like to first introduce the staff of my office who are with me today. On the floor we have my chief of staff, Ron Glen; Brian Manning, Deputy Minister of Executive Council; Grant Robertson, deputy secretary to cabinet; Steve MacDonald, deputy chief of policy co-ordination; Roxanna Benoit, managing director of the Public Affairs Bureau; and Elaine Dougan, who is the executive director of corporate services. Some of staff are also up in the gallery, including Elan MacDonald, deputy chief of staff; Jordon Copping, my executive assistant; George Samoil, executive director of House procedures and legislative affairs; Bob Fessenden, deputy minister of the Premier's Council for Economic Strategy; Peggy Hartman, assistant deputy minister of the Agency Governance Secretariat; Paul Stanway, my director of communications; and Tom Olsen, director of media relations.

3:00

Mr. Chairman, my remarks today will include a brief fiscal overview for 2009-10, followed by some details on upcoming initiatives from the business plan. Executive Council spending for '09-10 is forecast at \$35.8 million, an increase of \$5.8 million over last year. The increase is attributed to the following initiatives: \$1 million is budgeted to cover the costs of convening the Premier's Council for Economic Strategy, bringing the council's total budget to \$2 million, and \$5 million will be dedicated to implement the Alberta brand campaign, bringing the campaign's '09-10 budget to \$10 million. Budget changes also reflect the standard increases for salary settlements and the removal of funding for achievement bonuses this fiscal year.

I'd like to offer a quick review of Executive Council's program areas and priorities as outlined in the business plan. Executive Council includes my offices here in the Legislative Assembly, including communications and correspondence, and in McDougall Centre in Calgary; and the deputy minister's office, which provides advice and support to me on policy and organizational issues and leadership to the Alberta public service. We also have cabinet co-ordination and support, the policy co-ordination office, the Premier's Council for Economic Strategy, the Agency Governance Secretariat, the protocol office, administrative support for the office of the Lieutenant Governor, the Alberta Order of Excellence Council, and the Public Affairs Bureau.

Executive Council has outlined a number of strategic priorities in the '09-12 business plan, including strengthening agency governance, enhancing policy capacity, continuing the establishment of the Council for Economic Strategy, implementing the Alberta branding initiative, continuing implementation of a strategic communications plan across government, and utilizing social media technology to enhance communications. These priorities reflect my government's commitment to be financially responsible, open, and accountable as well as to ensure that Alberta maintains a strong position nationally and internationally.

One strategy to achieve this goal is to convene the Premier's Council for Economic Strategy. Council members will represent a broad range of senior-level experience with the major economic sectors of importance to Alberta and will be tasked with providing advice and strategies to ensure a high quality of life for Albertans. Last year the council was in the developmental stage. This year it'll begin its work. The additional \$1 million will cover remuneration for council members, travel and other costs associated with meetings, and fees for consultation, advice, and support from experts in the field.

I'd now like to briefly mention some of the other work that Executive Council will be undertaking. The policy co-ordination office will continue to support policy development across government and to improve the transparency, accountability, and governance of government agencies. The Agency Governance Secretariat will continue to support the implementation of policies outlined in the Public Agencies Governance Framework.

Mr. Chairman, I'd like to just talk a bit about Alberta's brand campaign. In this time of economic uncertainty it is vital that we promote our province, that we protect our markets and our ability to attract investment and tourism. We want to ensure that Alberta remains a place of opportunity, a place of prosperity and quality of life. We have a very good story to tell, and we're going to tell it. The budget for the brand initiative is \$25 million over three years, with \$10 million allocated for '09-10, this fiscal period. This is an increase of \$5 million from last year.

This year's budget will primarily be dedicated to implementing the brand campaign in local, national, and international markets and to directly advocate Alberta's interests in those markets. As the

brand is open and available, funds will also support the development of high-quality promotional materials for both government and others who are promoting the province to use. Those others could be from universities to school boards to whoever wants to use the Alberta branding initiative. The funds will be used prudently. In fact, \$1 million of last year's budget, \$5 million, 20 per cent of the total budget, was returned to Treasury. Brand implementation is being led by the Public Affairs Bureau, which facilitates two-way communication between Albertans and their government.

The bureau is also working to strengthen communication with Albertans, Canadians, and the world through emerging web technologies such as webcasts, blogs, and two-way conferencing.

Mr. Chairman and members of the committee, this concludes my introductory comments. I welcome members to ask any questions that they might have. Thank you.

The Chair: The hon. Leader of the Official Opposition.

Dr. Swann: Thank you very much, Mr. Chairman. I appreciate the opportunity to address the Premier and his staff on issues relating to Executive Council, the estimates briefing summary in particular. I approach issues of budget, as I think the Premier has articulated, as comparable to managing a household budget, in which one wants to look carefully at what the plan is, where we're going, where we're saving appropriately for the future, where we're spending, and how we're getting value for those dollars. I'm sure that's not a surprise to anyone here.

Some of the questions that I'll be asking will relate fundamentally to: if there is an increase, why is there an increase? If we're spending more in one area, what are the measurement tools that we would use to assess whether we're getting value for money? If we've chosen not to increase, what were the decisions around that? It's not simply around increases, but it's about where we are going. I think an important question to be asking the Premier and his particular Executive Council is how he models within the Executive Council the direction and the vision of this government and how this expenditure of public dollars is reflected in that conscientious approach to establishing a vision, establishing a plan, clarifying how we're going to spend those dollars, and then the discipline with which we actually follow the plan.

In summary, then, the total budget for Executive Council is \$36 million, for the record, for 2009-10, an increase of \$6 million from \$30 million, amounting to roughly a 20 per cent increase. The reasons given for the increase are the provincial branding initiative and the Premier's Council for Economic Strategy.

I'm wondering if the Premier would agree to going through one phase of this for the hour and, over the several phases of this budget, asking for the Premier's response as we deal with them. In that context, then, we've talked about the branding initiative to improve the image of Alberta and the rest of Canada internationally and the Council for Economic Strategy to provide advice to the Premier on economic strategies that would ensure a high quality of life for Albertans and make Alberta a good place to live, work, visit, and invest.

Well, first to the Public Affairs Bureau, Mr. Premier. Here we don't see substantial increases but a significant expenditure of public dollars that I think most Albertans would assume would be operating in the public interest and communicating to the public on behalf of the government of Alberta, so questions continue to be raised in my jurisdiction about how that money is being spent, why it's so much different from other provinces, why that bureau is reporting to the Premier instead of to the government, and some of the concerns around partisan reporting and influencing of the kinds of messaging that Albertans are hearing about the activities of the government.

The need for independence, I guess, is what I'm alluding to. I know the Premier has alluded to some of that in the past, that he would be examining that whole question of independence of reporting. I would like to hear the Premier comment on the role of the Public Affairs Bureau and the extent to which Albertans can have confidence that it's reflecting the objective results that the government is getting for spending its dollars and how it's serving all parties, I guess I would say, all perspectives on the development of this province. It supports government ministries. It helps to inform Albertans about programs and policies, and it co-ordinates communications across the government initiatives.

3:10

Today we spoke in the press about the substantial increase in communications spending across all government departments and the surprise, frankly, that there was a 55 per cent increase in communications from this government, taking all of the departments into consideration. One has to wonder how that is being co-ordinated by the Public Affairs Bureau, why the substantial increase in these departments, to what extent there may be duplication, and especially when we see the very high number of public dollars going into the Public Affairs Bureau, how it could be justified that this government needs so much to communicate to Albertans that it's doing a good job. Those are fundamental questions that I'm being asked and that I have also.

The Premier needs also to address the question of how it is that in his department 40 per cent of the entire budget is allocated to the Public Affairs Bureau. Including the branding campaign, of course, that comes up to \$25 million. With respect to the total amount going through other government ministries on communications, we identified \$15.5 million, which does not include the Executive Council, does not include housing, Municipal Affairs, and Service Alberta. So the total, then, for communications, including Executive Council, is \$38,600,000, clearly a staggering fee for communicating to Albertans about the day-to-day activities of their government.

In the two years 2007-08 to 2009-10 the communications throughout government increased 55 per cent, as I indicated, and throughout the rest of government ministries a total of at least \$15 million is spent on communications, according to the line items in 2009-2010 government estimates. How does the Premier explain the need to be spending a total, then, of \$39 million on communications which in many cases must be duplicating some of what's happening in his Public Affairs Bureau? On the other hand, addressing the office of the Premier, only \$11 million assisting in policy planning and development. There seems to be an imbalance there. One has to raise the question about whether image becomes more important than substance when so much is dedicated to public communications. Has the Premier considered or done a value-for-money audit in the Public Affairs Bureau?

We could maybe leave those questions and ask for your responses before we move on to the other changes.

The Chair: Hon. member, do you wish to combine the 10 minutes of yours with 10 minutes of our Premier's, 20 minutes together between the two?

Dr. Swann: Yes, please.

The Chair: Okay. The hon. Premier.

Mr. Stelmach: Well, thank you. There's no doubt that the role of this Legislature is to carefully examine the budgets of all the ministries. These are public dollars, and I can assure the taxpaying

public that we will apply discipline to spending all the money that comes to a vote before this House very prudently and carefully.

With respect to the comparison, I think, made by the hon. leader to other provinces, the province of British Columbia has \$28.8 million in their Public Affairs Bureau – I believe that was last year's figure – and the FTE count is 223.

The increase that was mentioned by the hon. Leader of the Official Opposition – I think he talked about a 50 per cent increase. I have a copy of the government of Alberta communications budget that was put out by the director of communications for the Alberta Liberal caucus. Well, if you look at the PAB communications budget – now, this is excluding the branding initiative; just take the branding initiative out – the '07-08 actuals were \$12,528,000. The '08-09 forecast was \$13,083,000. That was an increase of \$555,000, which is a 4.4 per cent increase. The '08-09 forecast was \$13,083,000, and the '09-10 estimate is \$13,051,000, which is actually a decrease of 0.2 per cent. So we're relatively holding our own. Again, that's excluding the branding initiative.

With the government communications budget, excluding the branding initiative, '07-08 actuals were \$24,867,000. The '08-09 forecast was \$27,747,000, which is an increase of \$2.8 million, an 11.6 per cent increase. Now, for this coming budget the estimate is \$28,622,000. The '08-09 forecast was \$27,747,000, which is an increase of \$875,000, which is actually a 3.2 per cent increase. This is keeping in line with what was established as the increase in budget through consultation with various business, community, not-for-profit agencies, Albertans that said, "Keep your increases to the rate of inflation plus growth in population," which is about that 3.7 per cent.

The majority of the increase is in the branding initiative. That's an additional \$5 million for this year. We are going to pursue getting Alberta's story out, as I said before, not only within Alberta but within Canada and the North American continent, and we will do it internationally. We depend on exports of our products to other countries, and we've got to get the correct information, talk about what Alberta has in advantage and the fact that we want to do business with as many countries as we can.

Of all of that Albertans produce, 60 per cent of it is exported outside of Alberta. Ninety per cent of that goes to one country. We do a lot of business with the United States. Given the fact that the Americans are really reeling from this economic downturn, we have to do whatever we can to find new markets. I don't want to tie the future of this province to one country in terms of trade, even though we have a very, very good trade agreement with the United States. As a matter of fact, the state of California is our largest trading partner within the United States, and of course that state is going through some exceptional economic issues given just a huge budget deficit. I think it's something like \$85 billion. So some of our markets are at stake, and we've got to get the correct information out.

Is there a lot to communicate? Yes, there is. We have been very active as a government since December '06. This Legislature has worked very hard. We've made a lot of policy changes. A lot of bills went through the House. New programs were introduced. Whenever there's a new program introduced, whether it be for seniors, whether it be for a school board, for any Albertan, the onus is on government to get the information out through media, whether it be regular media, mail-outs to those parties that benefit from a program change. It's important to have that two-way communication.

3:20

This year we will expand our communication to new technologies. I firmly believe, this government believes, that we have to communi-

cate through a lot of the social media because a lot of Albertans are getting their information from, you know, maybe blogging, Twitter, Flickr, and whatever else is out there. That's an important demographic of Albertans, and this is one way of communicating with them.

That, I think, will capture the increase in this budget. Once again, I will not apologize nor will I back down from the need to further extend our branding initiative internationally. The world is changing. Most economists are saying that the GDP of the United States will decrease compared to the world GDP. If that's the general trend, then let's not just sit back here and hope that things will recover. We've got to be aggressive and seek those international markets, really, for all sectors – energy, agriculture, forestry – and invite people to visit our province in tourism and also invite people from around the world to invest in this great province of Alberta.

The Chair: The hon. member.

Dr. Swann: Well, thank you, Mr. Chairman. The Council for Economic Strategy stated that one of the main reasons for the \$6 million increase for the fiscal plan included \$5 million for the branding initiative. I'd be very interested to hear what the minister is receiving in terms of economic planning, counsel, and support. Who's being hired to do what? What kind of deliverables? Why, in fact, are they needed beyond the existing ministries that support our planning in this government, at a very hefty price tag; that is, including those related to the ministries of Finance, Treasury Board, and Executive Council itself? How does value for money get translated there?

Especially when we're in a time of real economic constraint, I think Albertans want to know that we're using every means possible within the resources we've already been given to provide the leadership, the planning, and the initiatives that we have begun and have committed to. So if the Premier could enlighten us a bit about who's on the council, something about what the fees are that are being provided, and what kind of deliverables we can expect from that, that would be helpful.

Just jumping back briefly to the branding initiative, it would be interesting to know whether we're using provincial resources, provincial staff, provincial companies to do the branding initiatives, if you could enhance our understanding of that, and what kinds of communication we're going to be seeing from that branding initiative, where the money is actually going in terms of communicating through the Internet, television, what modalities that money is going to, and how, ultimately, we'll measure the impact of that branding initiative.

People who are losing their jobs, people who are finding their medical services delisted, people who are struggling are really raising important questions about whether we're managing their resources in the public interest or whether there are some other agendas that are influencing our spending decisions and that, in fact, it will be very difficult to measure the impacts of this branding within this administration's time frame and, therefore, hold them accountable. Some indicators of success would be welcome.

I'll take my seat and allow the Premier to speak.

The Chair: The hon. Premier.

Mr. Stelmach: Thank you. With respect to trying to find a balance in government on the expenditure side, health, education, research, technology, innovation are very important as we move to a knowledge-based economy. Will it happen over 10 years? No. Will we get there in 20? We'll be closer to achieving our goals in 20

years. Certainly, in 30 years, together with the city of Edmonton, the city of Calgary, other municipalities, our universities, that is the goal: to be leading edge in technology and research not only in Canada or in the United States or on the North American continent but in the world. That's the overall goal.

Many have said, you know, that there'll be a transition from fossil fuel to a knowledge-based economy. We know that. Will fossil fuel be around for the next 30 years? Yes. Will it be around for the next 50? Yes. There will be technologies introduced in terms of reducing carbon and dealing with some of the other issues tied to the environment. At the same time, while we move to a knowledge-based economy, we have to constantly create wealth. You don't pay for health or education just by reaching deeper in a pocket or running larger deficits or huge debt that at some time the country of Canada and various provinces have to pay for. That's not the way to go. So we are being affirmative, we're being proactive, and we are putting together, as I said before, the Premier's Council for Economic Strategy in conjunction with the branding initiative.

Now, the Premier's Council for Economic Strategy. As I said in my opening remarks, the first year was just working towards putting together the council. What we did was we had three committees. These were committees convened of city of Edmonton and area based people, Calgary and area based people, and then a committee of Albertans living in Grande Prairie to Lethbridge to other communities. They came from all walks of life – business, education, academic – obviously those that have a lot of experience internationally, that have rubbed shoulders with some of the world's brightest, not only in research and technology but in business, and have put a list together.

We're now working off of that list and inviting people to join the committee. There are over, well, 60 Albertans that . . .

The Chair: We've just completed the first 20-minute segment. Should we continue on with the second 20 minutes?

Mr. Stelmach: Okay.

These are, you know, 60 Albertans that got together and talked about: what areas of expertise should we concentrate on? This is all focused on the future, which is very important for our province. We are now in the recruiting phase. I'm pleasantly surprised that as of today we will have some of the world's leading experts in many areas that, when asked to join the committee, just jumped on the opportunity to work with and give Alberta advice. Once all of the candidates are called, then we will make the announcement, but at this time we're just working through it. There are a few more candidates to call. Sometimes it's difficult to reach them because they are in different corners of the world. They're very, very busy people. But I can tell you that they're going to bring tremendous expertise, counsel, and experience to the province of Alberta, again, setting the direction.

It will require some research dollars, some support. We're looking, probably, at two meetings a year, and then the information will come forward to the Premier. Then we'll work through our ministries with Albertans in terms of implementing the long-term plan.

I'm still pleasantly surprised that so many leading international experts know of Alberta. They want to help us and are fully aware of the growth in Alberta, our technology, and the investment that we've made. The candidates will dedicate a considerable amount of time because we're going to be asking some very tough questions leading to seeing how we can position Alberta in a relatively short period of time and transition it to a knowledge-based economy.

3:30

The council will consist of 12 members. We have Bob Fessenden, who is the deputy minister, and two staff members, and that's just the three people dedicated. We are looking at a balance between some Alberta born and raised and presently working in Alberta, looking across Canada, the North American continent, and also around the world. We're trying for, you know, maybe four, four, and four, whatever works out. We'd like to have a good contingent, a sample of people that have done very well in different countries, different businesses, especially in high tech, those that have even brought major companies from near bankruptcy to doing very well in the world using technology, investing in research and innovation.

The additional funding requested for remuneration for council members: we haven't decided what it will be; you know, so much per meeting. Most of the costs would be, I assume, in travel because many will be travelling some great distance to do work here in Alberta. It is fees for consultation, advice, and support. The remuneration for council members will follow the guidelines that we laid out in the public agencies governance framework, which is a framework that was supported here in the House.

With respect to the brand campaign there were questions raised on the purpose of the brand campaign and the timing. You know, if you're in business and if your revenue stream is diminished, then some people pull back. Of course, good business leaders look at how they can grow their revenue stream and grow their business at a time when many would look at it as a disincentive. In this particular case we're looking at it as a tremendous opportunity.

The opening comments that I delivered covered the intent, but with respect to the website the brand belongs to Albertans, and it's albertabrand.com. The site provides tools to Albertans so that they, too, can help tell Alberta's story around the world. Now, in the first two weeks following the launch of the brand, there were nearly 40,000 visits. Actually, updated as of March 26, there have been 47,000 visits to albertabrand.com, 11,000 viewings of the video, which is quite outstanding. In fact, this morning the Edmonton Real Estate Forum ran the video twice, and we had guests here from different parts of Canada. There were five Alberta stories selected to be posted on the site, 55 Alberta photos posted, and 37 requests to sign up as ambassadors. Seventy per cent of visitors to albertabrand.com were within Canada, 20 per cent from the United States, and 10 per cent were from outside of North America. The site has had visits from 111 countries.

The government of Alberta website stats. The websites are increasingly used by Albertans, Canadians, and international audiences to find information. In '08-09 the main website had 7.6 million visits, up from 6.3 million in '07-08. That's almost 21,000 visits per day. Satisfaction with the main website is at about 65 per cent, and usefulness of the information is at 85.4 per cent, and those are '07-08 figures.

Now, I made some comments with respect to social media and some of the stats. Use of social media continues to grow in Alberta but also amongst Canadians. We know that men and women use the Internet equally. Alberta at 85 per cent has the third-highest Internet penetration in Canada, just behind B.C. at 90 per cent and Ontario at 89 per cent, and the source for this, of course, is Ipsos-Reid. Two-thirds of online Canadians now have high-speed Internet access, and an additional 1 in 5 have high-speed light service. Dial-up users continue to decline, now accounting for only about 12 per cent of online Canadians.

Since 2006 there has been an upward trend of the older generation of Canadians, 55-plus years old, getting online, with the average age being 51 years old. Sixty-five per cent of online Canadians have visited Facebook, 47 per cent have visited Wikipedia, more than

have visited the Yellow Pages. I didn't even know that myself. Maybe the book is too heavy to hold. Thirty-five per cent have visited Canoe, 32 per cent have visited CTV, 24 per cent have visited CBC, and 20 per cent have visited the Canwest news site. Again, the sources are not the government but comScore Media Metrix and others that follow these sorts of things.

I think that gives us a bit of an idea of the value of the social media and how it is growing in popularity, and it's incumbent that we do use the social media.

Now, with respect to the branding initiative and using the advertising, in the last week of March we ran a TV, radio, print, and online advertising campaign across Alberta to show Albertans the brand and how it will be used to promote the province. The cost of that campaign was about \$460,000. It's all part of the overall budget for Public Affairs. As I said before, we'll continue to do whatever we can to get Alberta's story out internationally.

The Chair: Hon. member, before I recognize you to speak further, may I just take a moment here to refresh our memory about the new process here. All members should be reminded that the vote on the estimates will be deferred until we are in Committee of Supply on May 7. Any amendment moved during the committee consideration of the estimates will also be deferred until we are in Committee of Supply on that date.

Also, the process today is that any member who wishes to speak has 10 minutes, but if you want to combine the 10 minutes with the Premier, you have 20 minutes in total. There's a minimum two hours of debate on the estimates of Executive Council.

With that, I would say that we can proceed. The hon. Leader of the Official Opposition.

Dr. Swann: Thanks, Mr. Chairman. Well, clearly, the devil is in the details. It's very hard to get details on some of the spending decisions, and it's certainly difficult to get evaluative frameworks reported. I'm wondering if the Premier will be giving details about this economic council: who is on it and the kinds of salaries they're getting and some of the specifics of the deliverables that are being expected. Albertans want to know that we're getting value for money. That's an increasingly pressing concern in these times.

I'll move on to bonuses and ask the Premier a number of questions around this through Executive Council. For the 2008-09 fiscal year the government will pay out \$40 million in bonuses to senior-level ministry officials. We do know that the \$40 million pool for bonuses is allocated to 6,100 civil servants. We want to make sure that our emphasis is not on all of those civil servants but on the high-level ministry officials – deputy ministers, assistant deputy ministers – those who are receiving substantial bonuses.

3:40

Will the Premier tell Albertans what role the Deputy Minister of Executive Council plays in determining the bonuses given out in the 2008-09 fiscal year? Will he tell us what role the Premier's office played in evaluating the deputy ministers and the bonuses they received? Will the Premier provide and table the criteria used for determining bonuses for deputy ministers and other senior officials?

Page 10 of the fiscal plan states that there were \$215 million found through a value review. Will the Premier give details of what that entailed? Will he acknowledge that by cutting executive bonuses, that would have made a significant impact, roughly 20 per cent of that amount?

Mr. Stelmach: On the achievement bonuses the budget that was allocated was \$40 million. This is a process that was started a

number of years ago. It was a three-member committee that brought recommendations to the Premier of the day, my predecessor, and we have followed that process to this last fiscal year, that ended March 31 of '09. From April 1 of '09 on the bonuses have been suspended, and it's, again, in keeping with the fact that our revenue has diminished dramatically and that we're starting a new fiscal year and that it's, you know, roughly \$40 million that can go to other needs within the budget.

For the previous year we're being fair with all, whether it be out of scope, which is those that are not in a union, in management positions, or those in a union. We've pretty well served notice that next year we're going to work together and see how we can ensure that within our three-year business plan, the deficit budget that we rolled out this year and into next year, the money that we have set aside in a savings account, the \$17 billion, we can stretch it out and meet the needs of Albertans yet ensure that on the operational side, not on the capital side but on the operational side, we don't go to the bank to borrow.

I'm proud. We're the only jurisdiction in North America that has set this much money aside for times such as these. You know, we learned from the past. The last time that we had a serious recession, Alberta was really the whipping province during that time. We had high interest rates. Oil and gas prices diminished dramatically. We had a federal government policy that was hostile to Alberta, to western Canada. Times are different. We have historically low interest rates. We have international trade agreements that are allowing us more trade with other countries. We have, you know, our free trade agreement with the United States, which has really served us well over the period of time. We also have two emerging economies, China and India, that were not there in the early '80s, that even with depressed economic growth are still estimating their growth at about 5 per cent. So that's good news for the province of Alberta.

The other is that Alberta is recognized internationally now more than ever, especially with respect to our expertise in energy technology. We've attracted some of the world's best to our universities, and that in itself has created a good ambassador program for us. Of course, as I said, the program has been suspended. We will work through, you know, the difficult decisions over the next year, but we will look to constantly finding additional dollars in the budget without significantly disrupting any of the programs.

Now, with respect to the bonus, just for the record, the '08-09 budget, the previous budget, was around \$40 million. These bonuses are taxable income. They're not pensionable earnings. There are nearly 27,000 employees in the Alberta public service. The management group – that means all levels – is around 4,000, and then the opted out and excluded employees number about 2,100, so, as the hon. leader said, about 6,100 individuals.

Key numbers from the corporate demographics report: average age of the Alberta public service employee is 46; average age of the entire management group is 50. Now, ministers' executive assistants were also eligible for the achievement bonus, and that as well has been terminated. The median achievement bonus provided last year, for '07-08, was around \$5,300 individually. There was a formula that was used.

How was the bonus established? A minister sits down with the deputy of the Executive Council. The minister has, you know, looked at whatever the mandate for the deputy and for the management is. How did they perform? Was the departmental budget in line? Was it balanced? How did the deputy minister and his staff – you know, the ADMs and executive directors – move public policy, the decisions that were made in this House? All that goes into deciding what the bonus was.

Where are we compared to others? My chief deputy has completed all performance appraisals of all deputy ministers for fiscal '08-09, reviewing the targets that they achieved in their individual performance bonuses. The achievement bonus: of the 10 provinces in Canada eight other provinces offer an achievement bonus program, four are awarding the full allocation, one reduced allocation, and three provinces have not yet made the determination.

The Chair: The hon. member.

Dr. Swann: Well, thank you, Mr. Chairman. Thank you to the Premier. I wonder if it would be possible for the Premier to table some of the evaluative comments about these individuals. Clearly, one would be surprised if the deputy minister of health received a bonus, given the chaos that our health system is in. One would have to wonder if Albertans would support that kind of decision. What is the evidence that we're actually following these guidelines? I think Albertans have a right to know where \$40 million is going and that these were objective evaluations.

The Chair: We are now on the last 20-minute period for the Official Opposition.

Dr. Swann: Thank you, Mr. Chairman. A couple of other questions come through the '07-08 annual report of Executive Council and relate to page 10 of the annual report, showing that there were 68 trade missions made. I guess the question around that is: how much money was spent on these 68 trade missions, and how would Albertans evaluate that this was money well spent? Do we have measures of evaluation of these trade missions? Can we look at details of where the money was spent? That's obviously a big issue for Albertans, to know on individual trips where the money went. We've heard lots of rumours about high-flying spending and side trips. I think Albertans need to know more about the details of that kind of activity.

Page 29 of the report shows that accommodation costs of the Public Affairs Bureau were \$488,000 for the year ended March 31, '08, an increase of almost \$170,000 from 2007, a 53 per cent, in fact, increase. Perhaps the Premier could comment on that further, those two issues.

3:50

Mr. Stelmach: Sure. In keeping with openness and transparency, every time a minister or an MLA on the government side that may be asked to represent a minister travels, the purpose of the trip, the expenses are posted online. There's also a report at the end of every mission in terms of the accomplishments, whom the minister talked to, what meetings were held. We will continue to be in the face of many decision-makers not only on this continent but around the world as often as we can.

I'll give you an example. You know, we talk about transparency. On the one little, quick jaunt to Houston, Texas, I was there with two other Premiers: Premier Gary Doer, Premier Brad Wall, and myself. Very clearly in the news release we said that we were going to cohost – cohost – a luncheon at NAPE, which is a large North American petroleum congress, where Premier Wall and I spoke. Premier Wall spoke just before me. I believe they signed their declaration a few minutes before we did, incorporating the province of Alberta in 1905, although I believe they held their parade three days later. But he spoke first; I followed. There were about 1,200 people in the audience.

Coming back to Alberta, I find that the cost of the cohosting of that luncheon was attached to my plane flight. Talk about stories.

Sure. One TV station in the middle of this province said, “Whoa, man, he must have flown executive class,” you know, just supposition. Just ask for the information if you couldn’t understand, which was clearly stated, that we actually cohosted a luncheon.

Is it necessary? You bet it’s necessary. The state of Texas, the province of Alberta, and the province of Saskatchewan are very similar: Alberta and Texas, major energy producers. By the way, a number of other similarities: Texas is the number one producer of wind energy in the United States; we are the number one wind energy producer in Canada, unsubsidized – okay? – which is also very important. We’re not going to hide the true cost of wind energy in the next generation’s bill. We pay for it today.

So is there transparency? Yes. Every trip is posted with all the expenses. How do you measure it? Well, I can tell you how I measure it. We went to the Western Governors’ conference. The Western Governors’ conference is held in perhaps an auditorium about as big as this, at least, in Jackson Hole, Wyoming. The media and the lobbyists, 250 people, sitting in the audience. In public, well, yeah, we’re all going to be joining the western climate change initiatives; we’re all partners. We pat each other on the back. Yeah, we’re all friends. Behind closed doors all of a sudden, oh, hmm, a little different story. Carbon footprint? Yeah, well, we do have real issues with carbon from coal-fired electricity generation. Oh, by the way, we’ll be partners. We’ll sign on the western climate change initiative, but just exclude our domestic coal-fired, and we’re partners. We’ll join this big, you know, initiative across the North American continent.

That’s the kind of information you don’t get from the media. You’ve got to be there in the room at the table. Unless we continue to build those relationships, we’re going to lose out in the clean energy dialogue. That’s why it’s imperative that we’re there – we will be on two committees – especially when it comes to a smart grid and also on carbon capture and storage. We’ve got to get there to make sure that the correct information goes to the decision-makers in the United States.

Whatever you may hear from those who want to detract from Alberta, the big issue for us in Alberta is that coal-fired electro-generation is the major – major – producer of carbon. If we don’t get a fair agreement with the Americans, you know what’s going to happen? You and I are going to be paying more for electricity. It’s going to diminish global competitiveness, which leads to less manufacturing and less jobs. That’s the story we’ve got to get out. That’s why we’ve got to be there, and we will continue to be there no matter how we issue in terms of performance. I tell you, performance is how we’re going to get our place at the table to ensure that we protect Alberta’s interests not only today but well into the future. And that’s a role of the Premier.

The Chair: The hon. member.

Dr. Swann: Well, thank you, Mr. Chairman. That was quite a speech from a government that first denied climate change, then ridiculed it, and now pretends to be acting seriously on climate change. If this government was serious about climate change, of course, the next coal-fired power plant would have carbon capture required for it, the Keephills 3. Instead, they’ve permitted it without any carbon capture and storage. That’s clearly a government that’s waiting to be dragged into the 21st century on energy and environmental initiatives.

Shifting gears, then, to Executive Council’s responsibility through strategies 1.2 and 1.3, to assist policy development. Can the Premier explain what’s happened in the health care system and how his ministry has influenced some of the policy changes in the health care

system, including the kinds of quality and access and cost-effectiveness questions that have been raised for over a decade now? In a ministry that continues to restructure as opposed to actually addressing the fundamental imbalance in the health system, focusing on high-tech, specialized medicine and neglecting primary care, family physicians, nursing care in the home, prevention, is it any wonder that our system is in such chaos when we have neglected the very foundations of the health system and primary care? I’d be very interested in hearing the Premier’s comments on how his Executive Council has guided or influenced the health ministry throughout this chaotic restructuring.

Mr. Stelmach: Mr. Chairman, I do have to push back a bit on the opening comments made in this last exchange by the hon. Leader of the Opposition. I think it is absolutely ridiculous for a fellow Albertan to get up in this most public Assembly and accuse the government of denying climate change, dragging its feet, and not doing anything about it to protect the future health of the next generation. That is absolutely ridiculous. In fact, Alberta was the first jurisdiction to put legislation in, not just the year before but in the very early ’90s, to prepare for what was coming – the only jurisdiction to do it. Secondly, first jurisdiction in North America and I believe the only one today to actually put legislation in place that limits carbon production out of major industrial emitters. We actually were the first to put a fee, a levy, on carbon; the one and only in North America and in the world to make such a sizable investment in carbon capture and storage, \$2 billion for three and a half million people. That is an investment in the future, and it’s happening here in Alberta.

When people say, “Well, why are you spending that much money on branding?” well, what are we working against? We’re working the very same good news that Alberta has to share with other people around the world right here in this Assembly – right here. So we will do whatever we can. I can tell you that we will represent Albertans extremely well, not hiding behind, saying: oh, you know, maybe next year we’ll do something or the year after. We’re going to be very aggressive and get on top of this policy initiative and work with the federal government and with the Americans to get it right. Just to say that, you know, you could pollute the same amount – just pollute the same amount – but by the way, send a little money to the next country; send it overseas; we’ll be okay: what nonsense. Albertans realize that. By the way, they also realize the nonsense of giving these credits, money, to the very same group of bandits that got us into this international economic situation. A lack of transparency. They want to go down that same path. Yes, we do have to spend a lot of money to get the correct information out, and we will work very hard to do it, Mr. Chairman.

4:00

Now, with respect to health, as we said in the last campaign, just completed in March of last year, we are going to be working with all health care providers to find the efficiencies and the effectiveness in the system. I agree. Many times the hon. leader has said: “We have enough money in health. We don’t need any more. We’re spending a lot. How can we use that money more effectively?” He’s correct. We want to work with health care providers. How can we make every dollar count?

Secondly, how can we sustain the system for the next generation? It is a good system. You know, this afternoon one of the MLAs, the leader of the third party, asked me a question about the value of publicly funded health care. Well, I think we all, depending on our age, have stories of how families were affected prior to the Canada Health Act, prior to when the public, the taxpayer, paid for a lot of

the services. How many people suffering from cancer had to leave the province? Actually, some even went to the Mayo Clinic to receive help. In our community some even put their land up for sale to pay for their loved one to be treated. We're not going back there, but neither do we want to put the next generation in that same predicament. That's why we have to work together. We have something we can cherish. We value it. Rather than pointing fingers at each other and accusing each other, let's work together.

This is the time to do it. Our medical profession realizes that there's new technology coming, new drugs. There's such pressure. Yes, we need more family docs. You know, we have to show a kind of respect for the nurses, for all health care providers, everybody in the system because they are working hard. There's no doubt about it. As technology increases, costs are going to go up. How do you look someone in the eye, perhaps someone with a rare disease, and say: well, yeah, technology is here, but you won't get that drug because we're not going to pay for it. I don't think anybody wants to deliver that kind of a life sentence. That's why we have to work collectively. It's clearly identified in the position we took as a party going into the last election. We hold true to what we said there, and we'll continue to work together.

The Chair: The hon. member.

Dr. Swann: Thank you, Mr. Chairman. Page 180 of the budget documents indicates that under communications for Alberta Environment there was a 100 per cent increase this year. I guess one has to wonder what this was related to and how it connects to the Public Affairs Bureau's communications budget. How does the public make sense of all these individual expenditures on communications? How do we understand the value of this, and how can we be reassured that we're not getting tremendous redundancy in all these communications budgets? Can the Premier give us some reassurance about that?

Mr. Stelmach: Communication is important. With respect to Environment we have done a lot over the last couple of years. A lot has happened in the province of Alberta. There's a lot of communication to be made with respect to the issue of climate change, the issue of studies that we're doing in Alberta, cumulative environmental impacts. In fact, that's another first. We still continue to be the only jurisdiction in Canada to do that, both in Fort McMurray and in the Fort Saskatchewan area, the Industrial Heartland. All of these require a considerable amount of communication. Again, it's with respect to environment. In terms of redundancy I need clarification because this is all environment-related, anything to do with environment. We won't be spending, you know, dollars in communication in Education to communicate an environmental issue.

I'd say that we've also made some structural changes, and Public Affairs has taken on a lot of the additional work, the correspondence in many of the ministries, especially Environment. There was just a lot of action over the last couple of years, and we've got a lot more to do in that department. Just to step back, even the land-use framework: again, the only jurisdiction to put that in place. The bill will be going before this House. Albertans said: "We want a plan. We want to protect our rich black soil. We want to ensure that we grow up instead of, you know, urban sprawl." All of those issues of transit corridors for transportation, especially light rail or high-speed rail. We are working on that plan. We are listening to Albertans very clearly, and we're developing.

I know there's a lot to communicate, and every time you communicate, you have to buy space. You either buy it in a paper or on TV. All of that has gotten to be pretty expensive, but it's the only

way of getting the information out to those that value it the most or benefit from it.

The Chair: The hon. member.

Dr. Swann: Thank you. Just in summing up then, Mr. Chairman, on behalf of Albertans, I guess there are unanswered questions about why at a critical economic time in our history this government is spending 55 per cent more on communications than it was last year. When real people are losing jobs, when real people are raising basic questions about what's happening to their public dollars, when basic services are being cut, how are Albertans to interpret a government that invests 55 per cent more across the board in communications instead of providing basic services? I'd like to hear the Premier's comments on that.

Mr. Stelmach: Again, I don't want to read into the record the actual increases because I gave the increase for PAB and government of Alberta communications, excluding the branding. For this coming year it'll be a decrease of 0.2 per cent, excluding the branding initiative. The government of Alberta communications budgets, excluding the branding initiative, will be 3.2 per cent on, let's say, a \$27.7 million budget. It's an increase of \$875,000, which is roughly a 3.2 per cent increase.

As I said, our goal was to keep the overall government expenditures below 3.7 per cent. Some ministries got a zero per cent increase, some a modest increase of 2 to 3 per cent, and Health got the largest increase, at 4.6 per cent.

The Chair: The hon. member.

Dr. Swann: Thank you, Mr. Chairman. I guess Albertans would like to know that the Premier is committed to doing an audit of our communications in Alberta since we're spending so many public dollars on communicating this government's message to the people. Will the Premier commit to doing a value-for-money audit of communications across the different ministries, including the Public Affairs Bureau?

The Chair: We have concluded the first hour for the Official Opposition.

Now I would like to recognize the leader of the third party. You have a choice of 10 minutes or 20 minutes combined with our Premier.

Mr. Mason: I would hope we can just go back and forth.

The Chair: So we'll take 20 minutes in combination?

Mr. Mason: Yes. If the Premier can answer the questions in a relatively concise form, I think that would work very well.

The Chair: Mr. Premier, would you agree with the 20 minutes?

Mr. Stelmach: Yes.

Mr. Mason: Mr. Chairman, to the Premier: I'd like to get back to just exchanging a little bit of information and so on. I promise at the end I'll make a bit of a rousing speech so he can make a bit of a rousing speech back, but right now I'd really just like to pick his brain a little bit about some matters.

The first question I have is about the new brand. I don't know if I actually got fond of the Alberta Advantage as a slogan for the

province. It used to drive me a little crazy, but I sort of got used to it. I'm just wondering why the government decided that this was the right time. What was it about the old brand, or the Alberta advantage, that was no longer meeting the needs of the province? What kind of thinking went into the decision to move towards a new brand? What objectives does the Premier feel we will be able to meet through the new brand?

4:10

Mr. Stelmach: I believe I gave a fairly detailed answer earlier. Now more than ever, as I said before in my opening comments, it's important that we promote Alberta. Yes, for a period of time the Alberta advantage was a nice little slogan to use, but this is more than a slogan. This is about promoting Alberta, the many advantages that we have in Alberta: quality of life, technology, health, education, the entrepreneurial attitude, the diversity of Alberta.

In the last five years we've seen Alberta grow by 350,000. We have people coming here from many corners of the world. We have, I believe, the most diverse caucus in government of any province in Canada, and that speaks well for the people of Alberta. It also speaks well for those that have come to the province of Alberta and have worked through, established businesses, done well in education and so many other fields and become important members of their community and have won the respect of their constituents and have the distinct honour of sitting in this House. That's a good-news story. That's what we'd like to tell.

You know, sometimes in the past we've heard that, well, Alberta has no culture. In fact, we have a very good culture policy. If you compare, as I do, with other Premiers, they are surprised to hear what we have to offer.

I'm just very passionate about the province of Alberta. The government is passionate, Albertans are passionate, and we have a good story to tell. We have a responsibility to tell it and not allow others, perhaps, to tell something about Alberta that is wrong, misleading. That's why we're going to be very, very aggressive.

Is this the time to do it? Absolutely. The opportunity is here. Many people around the world are looking for investment opportunities. They want to know more about Alberta. In fact, the few missions that I've taken to Europe clearly identified that we have a lot of work to do.

You know, it's interesting. We were in London, met with a number of decision-makers, and then were in The Hague. We had a half-hour meeting with the Prime Minister of the Netherlands, which was quite outstanding simply because usually Prime Ministers meet with Prime Ministers. But Prime Minister Jan Balkenende was here in Alberta and learned a lot about our province. We reciprocated the visit, and we had a good discussion.

When we were in Munich, we had a meeting with five very high-profile ministers in the Bavarian government. It is interesting that most of the questions – it was quite a long meeting; it was about two hours – centred on Alberta's quality of education and our very outstanding achievement levels in secondary and postsecondary, but especially in secondary, and the fact that we're competing with the world's best. What is it that we do in Alberta that we stand either at or above many of the other jurisdictions? That tells us that there is a real hunger, a thirst for more information, and that's the kind of information we have to get out there. As we move to a knowledge-based economy, we do want to attract the world's best. We want to partner with the world's best universities and their research and technology and attract the people here.

Another visit was to the Richard E. Smalley institute in Houston, a nanotechnology institute, and I can tell you that I shared a lot of pride with our contingent when the professor at Richard E. Smalley

institute at Rice University spoke so highly of Alberta, recognizing Alberta for leading-edge technology in nanotechnology. The world's most powerful microscope is here in Edmonton, Alberta, Canada, he said. That tells us, again, that we have this opportunity to work together and slowly start to remove these barriers to information, to just work together. It's really towards one common goal, and that's improving the quality of life not only for this generation but generations to come. That's why the branding initiative.

I know that for a while there, you know, the opposition said: it's all got to do with the oil sands. Well, there's more to Alberta than the oil sands although the oil sands, we found out now, are very important, integral to the overall engine of Canada's prosperity.

There is more good news, especially in health, education, and R and D. That's why we're going to again continue with the branding initiative to get the word out. I know that our school boards are excited, that our universities are excited. We have so many people inquiring as to how they can use the new brand in their letterheads, in their communication with their staff, with their business partners and other countries, so that speaks well for the pride that we all share as Albertans.

The Chair: The hon. member.

Mr. Mason: Thank you very much, Mr. Chairman. Well, if the Premier is going to provide responses of that length to all my questions, I'm certainly not going to get through them. So I'm just going to list my questions, and the Premier can respond in the remaining time or provide me later with the answers in written form.

I'd like to know a little bit more about the Public Affairs Bureau, which is identified in the budget documents as having 118 full-time equivalents. I'd like to know what other communications personnel in the government are attached to individual departments in addition to that and what that has been over the last year as well as this budget year. I'd like to know about the polling activities of the Public Affairs Bureau. I would like to know what polls the Public Affairs Bureau has undertaken in the last year, what the firms were. I would like that to include information with respect to other forms of public opinion research – for example, focus groups, that sort of thing – as well as other forms of public consultation, what the subjects of these polls were, and the amounts that were paid to the firms that did them.

I would like to know about the budget for the Lieutenant Governor. The budget documents indicate that the Lieutenant Governor's administration and communications are handled by Executive Council, so I would like to know in more detail what that is, how much the amounts are, and what the changes are from last year. I would also like to know the status of the Lieutenant Governor's residence and what the government intends to do with respect to that.

If the Premier can respond to those questions, I would appreciate it. Thank you very much, Mr. Chairman.

4:20

Mr. Stelmach: Sure. Okay. Where did we leave off? A hundred and eighteen FTEs: they're remaining the same. We're not growing the FTEs in Executive Council. We'll get a breakdown for every one; we'll put that in a letter for you. It's 118 FTEs, 72 professional communications staff to communications branches in the departments. Some departments choose to augment the number of professional staff to meet additional communications needs, but 72 of the 118 are assigned.

Now, the Lieutenant Governor's budget for '08-09 was \$517,000, for '09-10 is \$511,000, so it's a \$6,000 reduction. Four FTEs are

assigned to the Lieutenant Governor, three support and one communications.

Okay. We'll break down the Public Affairs Bureau. Of the 118 FTEs, 87 FTEs are corporate communications staff. That's to plan and implement communications initiatives, provide a range of communications services in ministries, co-ordinate government communications for major initiatives and during public emergencies, support internal government communications, and provide advertising and corporate identity co-ordination. Fifteen are communications support services, who provide website management, media monitoring, news release distribution, news conference technical support, and IT co-ordination services. Thirteen of the 118 are corporate services staff managing human resources, finance, administrative, business planning, annual reports, records management, and FOIP, including the managing director's office. Three FTEs are assigned to the branding initiative.

Public opinion research is important. It's part of a two-way dialogue with the government and Albertans. It's important to listen to Albertans, understand their views. It helps plan the programs and set the priorities of the province's people. It also provides feedback. It helps us to gauge awareness, to see how well we're communicating, if the message is getting through to our citizens to ensure that they know what programs are available, how they can get in contact with service providers for various needs, again, as I say, whether they're in the seniors' department or children's services. It's really with respect to any department that's offering services.

We also post our research findings on the government of Alberta website. It's important that Albertans see what others are saying about specific issues, and that really improves the two-way dialogue with Albertans. That's one way of gauging how the programs are responding to needs and whether we're communicating enough so that all people are aware of what programs are important to them.

We are setting up a quarterly trending study, which will help avoid duplication or overlap in research. This study is estimated to cost about \$250,000 in '09-10. We've also asked various individuals about the budget. There was an expenditure there of \$64,000 just to gauge how people are responding, if it's meeting some of the many priorities of Albertans in different walks of life. Now, the research firms that are selected are selected through a very open, fair, transparent process. Again, it has to comply with the government's purchasing guidelines, and we will always continue to do that.

I think there was a question there on focus groups. Focus groups are really part of the opinion. You know, you just select Albertans at random, put them into a setting, a room really, and ask them certain questions. That really gives us kind of a general trend to see if we are communicating the right way, if the message is getting through, and if we are responding to Albertans' priorities.

That's as short and concise an answer as I can give since he was criticizing me that I was too long in my answers.

Mr. Mason: No offence, Mr. Chairman, but the first answer was pretty long.

The next question I have is: to what degree have functions of the Public Affairs Bureau that have previously been done in-house been contracted out, and what are the number and extent of the contracts that have been let? I'd like to know as well which firms have received contracts for that. I hope the Premier would correct me if I'm wrong, but I'm assuming that the line item for the Public Affairs Bureau does include those contracts. If not, then I'd like to know where we could find it.

I'll just end with the Premier's Council for Economic Strategy. Now, in last year's estimates debate we heard that there would be two new full-time equivalent positions established related to the

Council for Economic Strategy, but it doesn't have a line item in the budget. There will probably be some repetition with the questions of the Leader of the Official Opposition, but my questions are: what's the specific budget for the council, and who sits on the council? I'd like to know whether or not people from the Legislature, MLAs, will sit on the council.

If the Premier can answer those questions and I have a little bit of time left over, I'll try and get things heated up a little bit, and we can have a little debate.

Mr. Stelmach: With respect to anybody that has a contract, people or a firm hired by Public Affairs, we'll get that to the hon. member. We don't have it itemized in the briefing notes here, but we will definitely get that. All hiring is done according to the government process. It has to be fair and transparent. I believe also that the Auditor has reviewed the purchasing process. The standing contract for media buy: these are legal tender ads. They're also recruitment ads for people. That goes through a tendering process, and we try to get the best value.

If it's any contract over \$10,000, it's in the blue book, and of course we've now put that blue book online. You don't have to wait till year-end. I don't know whether the blue book is blue, but I do remember that before I was elected into this Legislature, it was something that a lot of people brought with themselves to the local coffee shop to see if their neighbour was in the blue book and maybe got a fuel tax rebate – at that time I think we had the Crow offset program – you know, different things.

The budget for the Premier's Council for Economic Strategy, of course, in '08-09 was \$1 million. This year, because we're actually working with the council on implementation, the budget is \$2 million for '09-10, and it's two full-time equivalents.

The Lieutenant Governor's residence: those costs are in Infrastructure's budget.

4:30

The Chair: Well, that finishes the period for the opposition. Now we go back and forth with other members. I would like to first recognize the Member for Calgary-Nose Hill, followed by the Member for Edmonton-Riverview.

Dr. Brown: Well, thank you, Mr. Chairman. The hon. Premier in one of his responses to the hon. Leader of the Official Opposition alluded to the increased role that the social media are playing and are likely to play even more in the future. The Premier also referred to the fact that much of the wealth and many of the jobs in the province of Alberta are a direct result of the fact that we export so much of what we produce. I think those two observations are spot-on.

We do see communications changing, particularly with respect to younger people, who are now increasingly turning away from the old, traditional media, the newspapers. Even what we used to consider as the modern and most effective way of communicating, the television, is changing and becoming less and less important in the delivery of news and content. We see that old, established, and famous newspapers like *Chicago Tribune*, *Los Angeles Times*, and whatnot are bordering on the edge of failure. Our *National Post* is losing money. I think that we can see, Premier, as you alluded to, the fact that the media are changing. Here in Canada we have Canwest Global media also in some financial trouble.

At the same time, we see exponential growth in the social media and the use of the Internet as ways of communicating and disseminating information. I wonder whether the Premier could elaborate on how the government might use some of these new communication technologies to get Alberta's message out there to Albertans and

also to those that are beyond the borders who might influence exports that we need so critically to maintain our lifestyle and our economy here in Alberta.

The Chair: The hon. Premier.

Mr. Stelmach: Thank you. Excellent question. We've realized over the last year or two that we weren't communicating clearly about some of the challenges that Alberta has faced, especially – and I'll just pick a topic – on the environment. When you go to the schools, when you went on a few speaking engagements in Toronto and Montreal, the misinformation that is out there is astounding. Surprised to hear that it's younger people, those that don't take a lot of time to read a paper or, you know, watch the news at 6 o'clock or at 11 o'clock. They've got a gadget that they carry with themselves, and they just within seconds get the news whenever they have a few spare moments, hopefully not while they're driving on an Alberta highway. It is the social media, especially Twitter and Flickr.

I will confess that on some of the issues with respect to environment that happened, those people that were giving the incorrect message managed to get that message right around the world. There wasn't a lot of it in the papers, you know, the national papers or international papers; it was done through the social media. If we're going to get the correct message out there and correct the misinformation, we're going to have to use the same media. We're going to put a huge effort into that.

I know that last year I believe it was Sustainable Resource Development that set up a page of their own. They've actually managed to get information out to Albertans that were really interested in the changes in land use, with respect to watersheds, all of those things that the minister has undertaken to do.

Culture is another area. You know, perhaps we're not getting enough of the message out in terms of how culturally diverse we are: the various shows, the festivals in Alberta in every community. So many weren't aware of that because many of those that are interested, again, weren't picking it up in the news or in advertising in the paper.

Tourism. A lot of people go online. They'll spend days researching, listening to others that maybe have blogged about a really good experience, let's say, in the Fairmont hotel in Jasper or, you know, something that they found, some unique place in Alberta. That seems to really get across. We found out that a lot of the travel plans, especially from people from Britain, are based on either watching Alberta-based movies, the scenery, or through the social media. So we are going to pursue – again, I mentioned Flickr and Twitter, but there's YouTube and the government blog. I'm interested to see how it proceeds, being careful, of course, how we use it, but I think it's one excellent medium of getting the correct information out and dealing with some of the misinformation.

To give you an example, in working with various business communities but especially when we were in Toronto and in Montreal, when you are sitting down with the public there and you listen to them, the information that they got was misleading. It was totally wrong. We found out that they'd picked something up in a blog or perhaps the other social media, and we were absent from that. We weren't participating. Face to face, well, of course, you can correct some of the misinformation, but you can't meet face to face with everybody, nor does anybody have the time to do that, yet I know that through the proper use of blogging and more involvement in the social media, we will be able to communicate with a much broader, wider, range of Albertans.

The other reason, I firmly believe, is that we can encourage more participation in democracy by hearing more, generally, about what

younger Albertans have to say about what we're doing in the province of Alberta. Is the government on the right track; what are our policies? Did our policies align with their priorities, their values? You get, perhaps, the most honest answer through the social media, in many ways other than just letters to the editor. So we'll continue to do that.

Now, the government of Alberta blog is Your Alberta Blog, and I think that the Environment is – what? – One Simple Act on Facebook and on YouTube. So we've started the process, and I encourage all Albertans to get involved.

Thank you.

The Chair: The hon. member.

Dr. Brown: Well, thank you, Mr. Chairman. Just one follow-up question, if I could, to the Premier through the chair. With respect to the social media you mentioned counteracting some of the misinformation out there. I know that we are constantly encountering misinformation regarding the environmental impact of our oil sands, in particular. I wonder whether there is any way that we can tap into some of those groups that are specifically dealing with environmental issues and put our message out there and whether it could be co-ordinated with our rebranding effort in terms of showing that we are responsible environmentally with respect to our development of the oil sands and so on.

Mr. Stelmach: There is a tremendous opportunity to do that. In fact, I'll give you an example. When we were in London and met with a number of investment groups, I also met with *The Economist*. I think we had five or six editors in the room, and they were working off one set of information. Where they got it I don't know. It certainly wasn't from the Alberta government but, probably, from various groups, perhaps NGOs, that are very adept at getting their information out to not only their followers but out to people that may be just interested in what they have to say. The oil sands, for instance: 140,000 square kilometres of oil sands in the province of Alberta. Only 500 square kilometres are accessible through open pit mining. The rest will be all in situ. But they thought that all of this landscape will be disturbed and mined. You know, these are well-educated people. That's just one small sample of the misinformation.

4:40

The other was with respect to monitoring air quality. We monitor air quality in Fort McMurray 24 hours a day, 365 days a year. Well, I can tell you that some of the groups had completely wrong information. When I told them that 98 per cent of the time the air quality in Fort McMurray was better than or equal to any major Canadian city, you know, there was a little bit of a surprise: "Well, we didn't know that you did that."

They didn't know that we've been monitoring water quality in the Athabasca River since 1971. Again, it's the information shared.

I have to share this with everyone. There's no doubt that in this economic downturn all Canadians – all Canadians – no matter where they live, now know the value of the economic contribution of Alberta's oil sands. But when we were in Montreal, there was an article in one of the papers that said that the Alberta oil sands threaten to pollute the Great Lakes. If you speak to Quebecers today, most of them think that maybe there's Alberta oil coming to Quebec. Well, not a drop of oil comes from Alberta. In fact, only about a third of Ontario's needs are met through Alberta production. Where do some of the refineries buy their oil from? Well, from Venezuela, Algeria, Nigeria. People that write editorials – okay? –

stating opinions, didn't know this. That's how important it is, again, whether it be the branding initiative, through visits face to face, but especially working through the social media.

It's not only Alberta's economy but Canada's economy that's focused on how well we can find that balance between energy production and the environment and the economy. Again, this economy that we've built in Alberta is supporting the rest of the Canadian economy. In fact, it was so nice to hear a visitor to Edmonton, that spoke at the Edmonton Real Estate Forum, thank Alberta for our contribution to equalization. Ontario now just became a have-not province and will be getting about \$358 million from equalization. That just gives you an idea of how quickly things have changed across the face of the country.

Dr. Brown: Mr. Chairman, I thank the Premier for his detailed responses. I know that there are quite a number of other members that wish to take the floor, and I will yield my place to other members at this time.

The Chair: The hon. Member for Edmonton-Riverview, followed by the hon. Member for Red Deer-South.

Dr. Taft: Thanks, Mr. Chairman. I appreciate the Premier's participation here.

The Chair: Hon. member, would you like to share the 20 minutes?

Dr. Taft: Yes. I hope so. I'm assuming that we can be a bit conversational here. I'm also intending to keep my questions really brief so that we can cover quite a lot of material, and I hope that the Premier works with us all on that.

I have questions initially about the Public Affairs Bureau and their role in writing questions for question period for government members to ask and ministers to respond to. I'm wondering if the Public Affairs Bureau actually has a role in that process. I'm also wondering if the Public Affairs Bureau has a role in preparing all of the speaking notes that the government members bring to the committee meetings we have, like the standing policy committees, the Public Accounts Committee, and so on. I know that under the former Premier this came up, and I'm sure it's still the practice. I'm wondering: what's the role of the Public Affairs Bureau? How extensive are the resources they commit to that process? How is it handled?

Thank you.

Mr. Stelmach: Within the government caucus it's no different than in the Liberal caucus. We have research dollars assigned to each caucus based on the number of members in our caucus, and we use the capability of government caucus research, the department, to write speeches for individual members, provide research information, statistics that individual members can use.

Do Public Affairs Bureau members, especially directors of communication, spend time with ministers? Yes, they do because it's their role to communicate public policy, programs to Albertans. We've got to get that information out: changes in, let's say, benefits for a seniors' program or changes in health, whatever delivery program. We've made some changes in transportation. All those things have to be communicated to the individual citizen that requires that information. It is a difficult job, but we will continue to follow a process where we have research capabilities within individual caucuses.

Now, if there are major announcements, it would be like today. We did a major announcement on the community spirit program. It

was done at the YMCA. There the Public Affairs Bureau person, a staff member or the director, would be working with the minister providing information, maybe ideas in terms of the kind of questions that may be asked of the minister specific to their program. That's the involvement of the Public Affairs Bureau and also the involvement of a complete and separate department, which is our research branch within the government caucus.

The Chair: The hon. member.

Dr. Taft: Thanks, Mr. Chairman. I appreciate the Premier's comments on that. I must express my concern with a process in which the Public Affairs Bureau and the Premier's office are so tightly and extensively integrated into, for example, the question-and-answer process even among government's own members, but it's a different approach.

Earlier the Premier referred to the line in the budget about 118 FTEs in the Public Affairs Bureau. I just sent over the staff lists to the Premier and his staff, and this is the government's own list dated January 30, 2009. It's titled communications branch staff and ministries, includes both PAB and ministry staff, and I'd think that there are about 220 names on this list. Well, frankly, I'm concerned when it comes to budgeting that the Public Affairs Bureau budget grossly understates the reach and resources of the Public Affairs Bureau because if I understand the situation correctly, Public Affairs Bureau staff are assigned out to each department; the department then pays for the staff, who report to that Public Affairs Bureau officer. So the expenditure on those staff is concealed in each department's budget, but in effect they are resources for the Public Affairs Bureau.

My concern as somebody debating a budget is that this budget may – maybe it doesn't, but my concern is that it may – disguise or, in fact, deliberately understate the size of the Public Affairs Bureau.

So would the Premier speak to the question, since he's in charge of the Public Affairs Bureau, of about how many Public Affairs Bureau staff are assigned to each department? Is it one or two per department? Is it most of these 221? How many people from the Public Affairs Bureau are assigned out to the departments?

4:50

Mr. Stelmach: In my previous answers I gave a full accounting of the 118 full-time equivalents. I also said that every department, any ministry, can supplement communications staff, some for, you know, just maintaining the website, some for publications from various ministries, because there is a lot of communication coming out of some departments, much more in Seniors, Health, Education, than, let's say, the Department of Transportation. Transportation will do something with respect to safe driving; maybe a weekend coming up and we want to do some advertising with respect to promoting safety on Alberta highways. But the staff that is assigned, as I said, to departments out of the 118 FTEs is 72, and that's a matter of record. The list that the member has sent over here said that most departments supplement their communications staff with people that are paid directly from the ministry, and those ministries' budgets are debated, brought forward to the House during the estimates, and also give a full listing of the full-time equivalents.

The Chair: The hon. member.

Dr. Taft: Thanks, Mr. Chairman. I'm going to bring forward a couple of amendments on behalf of the Leader of the Opposition. I'll read them into the record, and then I guess they can get passed

along. As I understand, there's no particular debate on this; these come forward. The first one says: Dr. Swann to move that the estimates for public affairs, strategic communications, under reference 2.0.2 at page 196 of the 2009-2010 main estimates of the Department of Executive Council be reduced by \$7,400,000 so that the amount to be voted at page 193 is \$28,480,000.

The intent of this is to cut the Public Affairs Bureau budget in half. Thank you.

The second motion reads as follows: Dr. Swann to move that the estimates for office of the Premier, Executive Council under reference 1.0.1 at page 196 of the 2009-2010 main estimates be reduced by \$16,000 so that the amount to be voted at page 193 is \$35,864,000.

Mr. Chairman, the intent of this is to reduce hosting expenses as a demonstration of leaner times in this province. Those are now for the record and, I expect, will come forward shortly.

A tremendous number of issues I need to raise. I'm going to just focus on two. First of all is the role of the Public Affairs Bureau in preparing the annual reports of departments. I'm deeply, deeply concerned that the annual report of the Department of Energy from last year was grossly misleading about royalties and the government's own take and review of royalties and had indicated in writing repeatedly that there had been reviews of the royalty system and all was well and so on. If that sort of document had been filed in the private sector as a corporate annual report, there would have been, probably, criminal charges laid because, in fact, as we discovered, there was internal information that said the opposite. So I'm very concerned and interested in the role of the Public Affairs Bureau in the departments preparing their annual reports. My question, I guess, to the Premier or his staff is: what is the role of the Public Affairs Bureau in the departments preparing their annual reports, and does the Public Affairs Bureau, in fact, have the last word in what goes into annual reports? It's a very, very important question.

My second issue I'd like to raise concerns a former very senior and important contractor for the Public Affairs Bureau, and that's Highwood Communications. Now, probably people are aware that Highwood Communications ended up stiffing most of the rural media in this province and in many of the urban ones for some millions of dollars – I think it was \$5.3 million in bad debts – and the creditors ultimately were able to obtain about 36 cents on the dollar. This happened. Highwood was the agency of record for the Public Affairs Bureau, so Highwood was the buyer. Then it turned out that Highwood on behalf of the government bought millions of dollars worth of advertising, but when the media went to collect, the money was gone. Millions of dollars were gone.

This went through a bankruptcy process. I've got the bankruptcy report here, the report of the trustee. My initial question to the Premier on Highwood. There is some curious phrasing in the trustee's report which suggests that there may be, despite this problem, a continuing relationship between Highwood or Barry Styles or some variation of those and the Public Affairs Bureau. So my question would be: is there still any relationship whatsoever between Highwood or Barry Styles or some variation on those people with the Public Affairs Bureau?

I hope the Premier and his staff are able to follow my questions. If they can't answer verbally, I'd take a written answer.

Thanks.

The Chair: The hon. Premier.

Mr. Stelmach: Yeah. Very easily answered because this is, of course, an annual question from the very same member. I'm happy to hear that he's still interested in the Public Affairs Bureau.

The Public Affairs Bureau is, of course, involved in the annual report format in terms of what the booklet will look like, but each department prepares its own content. Whatever is in the report, each department prepares it on its own. I think the question was: is there any other work that the PAB does? The answer is clearly no.

With respect to Highwood Communications, Highwood Communications was at one time the government's agency of record for media buying. It has gone out of business. Some media outlets that ran government ads had not been paid by Highwood. The Auditor General will audit the system used by the Public Affairs Bureau to monitor advertising contracts starting in mid-April.

Contrary to media reports – again, contrary to media reports – he is not auditing the entire Public Affairs Bureau, nor is the Highwood audit on hold due to Auditor General budget constraints. Again I'm going to read that into the record: contrary to the media reports, he's not auditing the entire Public Affairs Bureau, nor is anything on hold with respect to Highwood because of Auditor General budget constraints.

We welcome any recommendations from the Auditor General. These recommendations that he may make, we'll certainly undertake to improve new contracts. But we've already taken steps under the new contract to further improve internal processes. While it is always unfortunate when a business has financial difficulties, there is a process in place to deal with those matters. Government records show that we fulfilled our payment obligations to Highwood. Taxpayers can't be expected to pay twice.

The government hires an agency of record through an open, competitive process. Highwood held the media buying contract for 12 years. In June 2008 a new agency, DDB Canada, was awarded the contract. That's about all I can say. We'll await the report from the Auditor when it is complete. He's going to audit the process and any other issues tied to Highwood.

The Chair: The hon. member.

Dr. Taft: Thanks. I just want to review quickly with the Premier, and then somebody else can take a question. First of all, if I understand the Premier correctly, he said that the Public Affairs Bureau has nothing whatsoever to do with the preparation of the government departments' annual reports. Maybe I misunderstood, but I'd just like to be very clear on that.

The second thing is that, again, he didn't really answer my question on Highwood. My question was: is there any lingering relationship at all with Barry Styles, who was a very, very prominent Conservative, or Highwood or any variation? The reason I ask this is because there's a curious clause on page 4 of the trustee's agreement which states: "For those affected creditors" – in other words, those who are losing money – "which are media suppliers, the company," i.e. Highwood, "will continue to have media buys directed to these suppliers through a third party media buyer." Now, one way of interpreting that is that Highwood is still influencing how contracts are channelled and directed, and I'd like to know if there is any role, any relationship at all remaining with Highwood or with Barry Styles.

Those are my two questions: annual reports and Highwood. Thank you.

5:00

Mr. Stelmach: To my knowledge – and again, the hon. member can ask the receiver what those words mean – there is no relationship between the government and Highwood Communications. I haven't seen the text of the receiver's comments, but certainly I'm sure that we'd be able to ask exactly what those words mean or why he put it into the report.

Again, for clarity, because sometimes, you know, you've got to repeat it a few times, in terms of preparing the annual reports, it's the format. The content – the content – of individual minister's annual reports is produced by the individual ministries. Public Affairs collates it, bundles it up in a format – I don't have one of the reports here with me – that is compiled and then goes out to the public.

Dr. Taft: Okay. Does the collating and bundling up involve, for example, editing or any changes to text?

Mr. Stelmach: If it's text, if it's spelling, grammar. But I talked about content, content in terms of statistics. The information that's presented, that's the responsibility of the individual ministers.

The Chair: The hon. member.

Dr. Taft: That's fine. I'll let somebody else ask some questions, and we'll come back later. Thank you.

The Chair: The hon. Member for Red Deer-South, followed by the hon. Member for Calgary-Currie.

Mr. Dallas: Well, thank you, Mr. Chairman. It's a real privilege today to participate in the discussion on the estimates. In particular, I guess, I would say that the discussion that we've had around the importance of our government communicating and also the hon. Premier's very extensive working knowledge of the logistics of how we communicate and the changes that are happening in communication in Alberta have been very interesting this afternoon.

There's another area that I think is of considerable interest to Albertans, and it is in the area of governance. Back in February of 2008, Mr. Chairman, the agency governance framework was announced. My question is this: what is the role that the Agency Governance Secretariat is playing in terms of how we're implementing that framework?

The Chair: The hon. Premier.

Mr. Stelmach: Well, thank you, Mr. Chairman. The hon. member raises a very important issue that we dealt with over the last number of years. A very large amount, in fact, a major amount of taxpayer dollars that go through the public for various services go through a lot of different agencies. These could be social agencies. They could be boards. They could be a few Crown corporations as well. They ensured that there was full transparency and accountability. After putting together a committee of all private-sector individuals that were very knowledgeable in governance and transparency who brought forward a report, we implemented the recommendations of that report.

As a result, we have an act before the House, and it's the Alberta Public Agencies Governance Act. I believe it's Bill 32. This act is going through discussion in the House. It is continuing to demonstrate the principles of good governance, transparency, and accountability through a number of actions. We will ensure that agencies have the right people for the job. Again, that's by requiring competence-based recruitment and appointments. We will also encourage agencies to improve their effectiveness by providing orientation, evaluation, and training of new board members. That's very important, and it's one of the key co-ordinating roles for the Agency Governance Secretariat. The secretariat will work with ministries to ensure that agencies have a written statement of their mandate, their roles, their responsibilities, codes of conduct, clearly stating the responsibility of agencies and ministries.

The relationships and accountabilities between government and agencies, including policy-making and information, will be clarified between the boards, agencies, and the government. We will require periodic reviews of all agencies to ensure that they are operating as effectively as possible. There is a role in ensuring that the public knows what steps are being taken to promote agency effectiveness both through legislating these principles and, of course, having someone to monitor, especially through information about agencies. The public needs that information. It's also another area of accountability, information that we can share with the public.

We are making progress on implementation. It will require a lot of work, but I think that this is really what Albertans wanted to see, that transparency. We will improve the effectiveness of all of our agencies, boards, and corporations.

The Chair: The hon. member.

Mr. Dallas: Thank you, Mr. Chairman. That's very helpful.

Back to the hon. Premier if I could. The legislation is both progressive but also very extensive. I wonder if the Premier could share with us the status of the implementation of that framework, where exactly we're at in terms of what work is left to do to fully implement and complete the directive of that legislation.

The Chair: The hon. Premier.

Mr. Stelmach: Well, thank you, Mr. Chairman. Overall, we are making progress on implementation. It took a while for the committee to meet with all of the ABCs – agencies, boards, and commissions – to get feedback from the agencies, get a better idea of what we need to work on to improve the effectiveness, and how we incorporate what we heard into legislation.

I covered the fact that the legislation is now here, being debated. I'm not quite sure what stage it's at, but it's working through the process in the House. Once the bill is passed, it will be proclaimed, and we will work on implementing the legislation. For example, 90 per cent of agencies will be required to have a mandate and roles document; at the moment 90 per cent are in that stage. It's clearly identifying the roles and the purpose of the agency.

Competency-based appointments. These processes are in place for a large majority of agencies. In fact, we're asking the various boards: "What are the kind of skill components that you require? You know, do you need a chartered accountant, do you need someone that knows governance very well, or do you need some legal skills on the board?" That is the competency-based advertising that we're going to do for board positions. That is important, to have a good mix of skill sets.

As the bill is working through, the secretariat has also engaged in discussions with the Ethics Commissioner because the Ethics Commissioner office will be involved. Again, it's going to support the secretariat in terms of the kind of codes of conduct that we require.

5:10

Some of the agencies play very, very important roles. You know, the Agriculture Financial Services Corporation, for instance, is a big corporation. We have corporations down to some that provide social services, like AADAC, for instance. So there's a variant degree of different skill sets that are required.

We're working with the Ethics Commissioner. That process is in place, and it's moving forward.

We are going to lead through the secretariat a very comprehensive review of director remuneration practices to develop a more

consistent approach to ensure that people are compensated for the kind of skills that they bring to a board or an agency. It is important to be clear on that. We'll involve the Auditor General's system of audit of agency and CEO selection, making sure that a person that's in a chief executive officer position is qualified for that particular role. Again, competence-based evaluations and compensation practices will also be discussed with the Auditor.

We've been asked to collaborate with corporate human resources and the Treasury Board to review current practices and, really, develop a more consistent government-wide approach.

Mr. Chairman, these are just a few of the highlights of a huge amount of work that we've undertaken in this particular area. I know that at the end of the day through training and orientation of public-sector governance, enhancing a database to inventory basic information in all public agencies, sharing ideas, good practices and good evaluation processes, and preparing checklists, templates for departments to use in developing standard approaches to agency creation, this will all help, again, with openness and transparency. The public will have much more information with respect to the large number of public agencies that actually handle a huge amount of the taxpayer funds that go to various causes.

The Chair: The hon. member.

Mr. Dallas: Thank you, Mr. Chairman. That was a very thorough explanation and much appreciated.

At this time, then, I know that there are other members who have been patiently waiting for the opportunity to raise questions, and I'll yield to them.

The Chair: The hon. Member for Calgary-Currie, followed by the hon. Member for Calgary-Lougheed.

Mr. Taylor: Thank you, Mr. Chair.

The Chair: Do you wish to take 20 minutes?

Mr. Taylor: Twenty minutes combined?

The Chair: Right.

Mr. Taylor: I think it's a pleasure to be able to engage the Premier in some back and forth, some question and answer about the estimates for Executive Council this year. I look forward to the next 20 minutes. I beg the Premier's indulgence. I hope I don't go over any ground that has already been gone over, but I do have a couple of areas of particular interest that I would like to cover off, and it may be necessary to reference issues that have come up before in order to do that.

I'm looking here at the breakdown of the estimates for the office of the Premier and Executive Council, and I'm seeing roughly \$11 million going into the Premier's office and roughly \$25 million being spent in one form or another on communications and advertising, whether that's the branding initiative, whether that's the activities of the Public Affairs Bureau. But more than twice as much is being spent on flogging the message than there is on developing, I think, the substance behind that message. It says to me that we're looking here at a government more concerned with image than substance.

Now, I'm always prepared to admit that I could be seeing some of this wrong.

An Hon. Member: It's highly unlikely.

Mr. Taylor: It's highly unlikely, I agree. I agree with the hon. member, but it does happen from time to time.

I'm proceeding on the basis that the Premier's office and Executive Council have a very specific role to play in strategic planning and policy development that essentially is supposed to give, I think, coherence, consistency, an overarching vision to everything that the government of Alberta does.

It would seem to me that even though we live in an era of communications and marketing and spin and messaging and everybody trying to make their voices heard over the clamour of the consumer-driven society that we live in, where all kinds of people have messages and all kinds of people are trying very hard to sell those messages – I'm not advocating here that the government of Alberta not do any advertising – the real job of government is to get the policy right, not to get the message right. You want to try to do both, obviously, but if you've got to make a choice as to where to spend your money, especially in tough times, I think it's more important to be engaged in strategic planning and policy development than it is in making sure that you get a new logo to replace the old logo and that the colour scheme on the website all goes together.

I mean, I was on the government website today, and it kind of looks like I'm standing in a Benjamin Moore paint store in front of all of the colour palettes. It goes very well together in a kind of pastel version of the old Canadian Alliance party colours – you know, it's kind of like Alliance Lite – but I hope you didn't spend too many millions on that, really. You could have got a colour coordinator from, I think, the aforementioned paint store, if not from that one then from another, for a couple of hundred dollars to kind of do the same job for you.

Really, what I'm coming down to – and full disclosure. The Premier knows very well what I used to do for a living before I got elected into this House. He knows very well that commercials paid my mortgage, that commercials put my two kids through university, and that I have a soft spot in my heart for the private sector and the broadcasting business. Lord knows, government advertising is always a very important part of the revenue stream of any private radio or television station or newspaper – no question about that – so I would be a little hypocritical to stand here and just grind incessantly on the Public Affairs Bureau given that the Public Affairs Bureau has helped me pay my mortgage, I'm sure, to make a couple of mortgage payments from time to time.

That said, you are spending \$25 million this year on communications and advertising, you are spending \$11 million on the office of the Premier, from whence should come strategic planning and policy development, and I would like to focus on that to a certain extent. I refer you to page 132 of the Executive Council business plan for 2009-2012. Core business 1 for Executive Council is to "support strategic planning, policy development and decision-making for the Government of Alberta," and under that I see that it means that the decision-makers, the deciders,

need comprehensive and coordinated policy and planning advice and analysis in order to make strategic decisions. Ministries need analytical and coordination support to ensure that initiatives align with government priorities. Achieving this goal ensures that decision-makers and ministries are provided with the appropriate context and support to meet overall government vision and goals.

That says to me – and, again, I might be getting this wrong, and I'm sure that if I am, the Premier will set me straight – that the vision emanates from the big office, from the Premier's office, that the co-ordination of government policy and planning, the support for strategic planning, policy development, and decision-making, comes out of the Premier's office, out of Executive Council, for all government departments, all government ministries so that we make

sure that the Ministry of Aboriginal Relations and the Ministry of Sustainable Resource Development and the ministry of food and agriculture and the Ministry of Energy and the ministry of finance and so on and so forth are all singing from the same song sheet and, hopefully, singing in, as it says here, a co-ordinated and effective way. So that must mean that Executive Council and the Premier have had some role to play, some part in the development of policy for health care over these last 12 months and over the next 12 months going forward.

5:20

Strategy 1.2 says, "Provide advice and analysis to support policy development and ensure decision makers have the best possible information on which to make decisions." Strategy 1.3 says, "Strengthen policy support to government and facilitate enhanced policy development capacity in the public service." So if it is Executive Council's responsibility through strategies 1.2 and 1.3 to assist policy development across ministries, how can the Premier explain the mess, the turmoil, the horrible situation that Alberta's health care is in right now?

If I may, Mr. Chairman, if I need to reference something else that's very current and germane to what we're talking about, I would refer the Premier to *Calgary Herald* columnist Don Braid's blog on the *Calgary Herald* website right now in which he's writing in real time about . . .

Mr. Denis: Table it.

Mr. Taylor: I would if I had my computer here, but I checked this just before I came over from my office a few minutes ago.

He's writing, blogging in real time about the experience that his wife is going through. I believe she is now in her fifth or sixth hour of waiting in emergency today in hospital in Calgary, this being the third day and the third attempt to get some help for a very serious medical problem. He describes it as hell. He describes the situation in our emergency waiting rooms in Calgary, in Alberta, under the health minister's reorganization, restructuring of health care, as hell. So I would like the Premier to take a whack at explaining some of this if he would, please.

Mr. Stelmach: Sure. The first time we got together, the hon. member was sitting behind a microphone asking me questions about the Canadian Wheat Board when I was minister of agriculture. That was a few years ago. Since then, a lot of water has travelled under a lot of bridges – let's put it that way – and most of it is in Saskatchewan today.

However, you know, the hon. member makes a good point. It's important to communicate. It's important to communicate policy direction, communicate what services are available, changes in services, changes in funding, support for Albertans no matter what program they may benefit from. So \$25 million out of a \$38 million budget is, I think, really pennies spent on communication. Remember that there are a number of roles played out of that budget that are involved around communication. It is policy co-ordination and, again, working with ministries to ensure that policy is going through the process and being developed, you know, listening to Albertans, taking that input.

I think the member did acknowledge that \$10 million of that is in the branding. I continue and will continue to stand committed to the branding initiative. We will fulfill our commitment that we made to ensure that we get the correct information to investors, to other people living in different corners of the world, and I covered a lot of that earlier.

The Public Affairs Bureau dollars cross government departments, and it's not just Executive Council. The other is that in the budget \$11 million is the Premier's office and Executive Council, \$14.8 million is the Public Affairs budget, and \$10 million of the overall budget is in the branding.

With respect to co-ordinating policy and getting the correct information out, it is difficult because, as the hon. member said, we're competing. We're competing for time because people are busy. We're competing for space, either in the paper or on a talk show that some Albertans listen to, trying to get a message out in the regular media. You know, he does accuse the government of – he used the word "spin." Well, a program is a program. It's clearly articulated in terms of what dollars are going into it, what income threshold or whatever it is that goes into the policy. But in a regular article it's very difficult to get all of that information out without buying the advertising.

I know that all media certainly are going through very difficult times, but it goes to show how important the economy is even to the media. We've seen tremendous layoffs in the media. Maybe the hon. member is happy to be here because I'm sure everybody is fighting for ratings. To fight for ratings, what do you say to get the attention of the public? You pull at those heartstrings that will get people excited: emotion, fear. Correct information? You know, you can always word it a little bit to get the attention, and maybe at the end of the program you never do get the correct information out, but the more callers the more advertising. It's a game. I'm sure the member will agree, if he's honest with me and this House, that every person in that media is competing with somebody else, especially when you see the value of shares. You know that Canwest, all of the papers are suffering. They're fighting for ads. Again, a picture of the economy.

That's why I could never figure out why people would be so negative about the economy and keep driving this fear and reducing the size of the economy. The economy really is 65 per cent consumer spending. If you put fear in the public, they don't spend the money. They don't buy a sofa. They may not buy a suit. They might not buy a car. They might not change the windows in their house. The business that offers that service or that product does not advertise because nobody comes through their door anymore. That's the cycle. We're going to be going through the cycle, and I've got to think that because of the lack of private-sector advertising, some of the media has actually increased public advertising, which is good. It's part of corporate citizenry. We did get some public service ads out there reasonably priced and also in some cases gratis, which is good. It's a good relationship. I hope it continues.

Now, with respect to policy, first of all the policy co-ordination office. I'll just go through some of the statistics, and then I'll tackle the issue that the member has raised about health. The policy co-ordination office is a very small, service-oriented unit that works across government, staffed in large measure through secondment in order to build policy capacity throughout government. The office exists to promote a corporate cross-ministry approach to policy development that is aligned with government priorities, supports the identification and implementation of government priorities, supports decision-makers by ensuring that they have the best possible information to make decisions, co-ordinates the government strategic planning process, supports the development of the government strategic plan, and strengthens policy development capacity, which really is important in the public service.

I will say that in this area the Alberta public service is very, very strong. They are recognized by other provincial jurisdictions for the capacity that we have in Alberta. There were new ideas, new policy introduced over the many years. I remember from when I served on

municipal council or ran a business in this province. I know that starting in the early '70s with former Premier Peter Lougheed, an investment that we made in the public service is outstanding, and it has paid off huge benefits for Alberta.

5:30

With respect to health and policy development in government I'm proud to say that we have the most participation in policy development from our caucus. We have various policy committees. All ministerial recommendations come forward for thorough discussion. We seek advice as caucus members and as ministers from various organizations, hear from them, set the priorities, and respond.

Health is a complex issue. It's complicated by the fact that we do see new technologies emerging, new drugs. In fact, a substantial increase in year in our drug budget is because there were just new drugs both for cancer and Alzheimer's. The other is that we are doing more. We are doing more open-heart surgeries. We are doing more knee and hip replacements. All of these are happening because people are spending less time in a hospital. They're recuperating much quicker because of the other allied health care providers from not only nursing to therapists. Home care has seen a huge increase.

During a period of time when our revenue is diminishing not only in Alberta but across the country, Alberta's substantial contribution to Canada will be diminished. Those provinces that rely on contributions from equalization will not see the same amount of net contribution from Albertans. So we're going to have this huge issue in Canada, and all I ask is that we work together as health care providers, as government, as opposition, work collectively, not tear at each others' throats and just slow down the policy development but actually have good, positive input.

Earlier I talked about our commitment to publicly funded health care. It remains there. We're adamant that we have such a good system. In fact, just coming back from Texas, the questions that were asked in terms of the public health system that we enjoy were: "How does it work? How do you govern it? Who pays for what?" All these questions because, as you know, the Americans have undertaken a move towards public health. What we have today, let's cherish. Let's work together and not use it for political purposes.

The Chair: The hon. Member for Calgary-Lougheed, followed by the hon. Member for Strathmore-Brooks.

Mr. Rodney: Thank you, Mr. Chair. I've actually been looking forward to asking the Premier a number of questions, so if it's okay with you and if it is okay with the Premier, we'll just go back and forth for the 20 minutes that we do have. Is that permissible?

The Chair: Twenty minutes, yes. You choose.

Mr. Rodney: Yes, indeed. Thank you, sir.

I do have to make a comment that might be just a little surprising. I have to say that I find one thing unfortunate about today's proceedings, and that's simply this: that not all Albertans are aware of what's happening today and/or are not able to tune in, because so many people are so interested in what this Premier is doing and what his department is doing. This is just a fabulous opportunity to learn exactly who is in control, who has the leadership, and what exactly is happening. Hopefully, the word does get out through *Hansard* and perhaps through media, but that's beyond our control.

My first question, Mr. Chair, has to do with our experiences in Washington. I was quite interested to hear the number: 90 per cent of our trade is with our American friends. I've been fortunate to go down to the States many, many times. One of the times was to visit

our minister councillor. That, indeed, is the title, if I have it correctly. That was the first title given to a former hon. member and minister here, Murray Smith. I was able to witness his activities one day as I tagged along and learned all sorts of invaluable lessons. It was certainly proof to me that we really, really need that representation. Curiously enough, of course, we're the only province in the country that has representation as we do down there, first with Murray Smith and now with former minister the hon. Gary Mar.

My question to the Premier is: with the ever-capable Murray Smith handing the reins over to the equally capable Gary Mar – some constituents have asked this question – why is it that we would need additional advisers or consultants, be they Canadian or American? Perhaps the Premier can comment on the additional assistance that is, you know, being utilized from this point forward.

The Chair: The hon. the Premier.

Mr. Stelmach: Well, thank you. It is a good question and one that I know is important for Alberta, especially at a time when the countries Canada, the United States, and Mexico are entering into clean energy dialogue and some of the possible implications it may have for Alberta.

Energy is a massive contributor to our economy, and we'll need to make every effort to ensure that we get the correct information to decision-makers in the United States, that we're informed very well of the day-to-day developments. It's not only in Washington, the state capital, but it's in state Legislatures, working with governors. I believe, just off the top of my head, there are about 6,000 pieces of legislation that are passed every year in the United States. We have of course monitored where Congress is going on some of the issues.

The reason I say that is simply this. There was so much attention paid by various groups as soon as the new President was elected that: "The President will move very quickly. He's going to impose these penalties on the oil sands. You know, you've got to move. If you don't move, you're going to get left in the dust. You'll pay a penalty. Nobody will buy your oil. Oh, and by the way, carbon capture is a big waste; you shouldn't be doing that." All kinds of advice, and most, frankly, coming from some of the columnists that the previous member talked about. Quite frankly, if I listened to their advice, I wouldn't be here.

Let's put it this way. The major contributor to our carbon footprint is electrical coal-fired generation. It's the same in much of the United States. In fact, to reach the goals that the President has established will require a 50 per cent reduction in energy demand – 50 per cent. Can you imagine the cost of electricity if we reduce generation by 50 per cent on this continent? It would further diminish our global competitiveness, would further increase the number of jobless on the North American continent, and it would also put us in the position where we would lose even more of the global competitiveness in countries like India and China.

Now that the President has visited with our Prime Minister, they have decided to enter into a dialogue and see how we can work together on the North American continent so that we don't lose this advantage that we have. We may lose it forever to Asia if we're not careful. How do we grow jobs, find the balance between producing energy and also the economy and the environment?

With respect to the two firms that have been hired, it's \$40,000 a month. The value of the firms there is to monitor policy, to give this government advice on where some of the state Legislatures are going with respect to policy and legislation, to work with their contacts in the Obama administration, to make sure that we're not only getting the correct information from the state Legislatures and Congress but that we also have a better idea of which states are

supporting what legislation, what states may be opposing the proposed legislation in Washington, and who we do work with to build alliances.

5:40

A lot of this has to be face to face, and the two companies that we've hired have extensive experience. The first, of course, is a former ambassador to Canada with very good contacts with the Obama administration. He is a Democrat, so the politics align very well. The second is a former minister of public works that worked in Washington and the Canadian embassy for many years. Again, very extensive contacts.

This work that the two lobbyist organizations will do, the two firms, will complement what Gary Mar is doing in Washington. He cannot be in every state every day, nor can he monitor, as I said, a little more than 6,000 pieces of legislation that are going forward. To give you an example of what he has accomplished in a very short period of time, as you know, a lot of work was being done in anticipation of quick decision-making by President Obama and his administration. I think that now that they're in government, they're probably realizing that this is an overwhelming task and that he really does have to work with state governors and find the balance without really increasing the cost of energy even more and putting more pressure on the economy.

Gary has worked in two states, one in Maryland, where he worked diligently to ensure that the state of Maryland removed its anti-oil sands bill. They've done that. He testified in Minnesota on the state's low carbon fuel standard and was able to garner support for the oil sands. He is working very closely with the state of California. You know, the state of California is quite ironical. Everybody talks about Alberta's heavy oil, yet the – what? – 450,000 to 500,000 barrels a day of production in California nobody pays attention to. It's just another example of how much work we have to do, but we are working very closely through both the Washington office and the two lobbyist firms.

I do have good news to share with respect to Alberta and the relationship with the federal government and some of the state governors. With respect to the federal government we've been asked to participate on two committees, one on carbon capture and storage, which we made a very substantial investment in, and the other on the electrical smart grid. This is more on a technical side so that we can get, again, facts, good engineering, good comprehensive information so that we can build the policy on this.

I know that in Alberta many people focus on the oil sands and think that that's the major contributor to the carbon footprint. It's not. It's coal-fired electrical generation. The fact that many of the plants are close to some of the existing oil fields and gas fields gives us an opportunity to capture the carbon, inject it in the oil fields. Not only will it reduce the level of carbon, but we will also enhance oil recovery. It may be quite sizable in terms of the volume of enhanced oil recovery, which, again, will pay back quite a sizable return on the royalties that we'll collect extracting oil from established fields. The other important point is that we will not have to disturb more land. The established fields are there. We'll use the same roads – we don't have to drill new wells; again, less disturbance on our land – and use the same infrastructure that has been in place for a number of years. So it is a good-news story.

I know, having just recently visited Texas, that the state of Texas and Alberta will be working on a couple of projects as well and also tying our research on the environment together, especially in nanotechnology and a carbon fibre being able to carry electrical current further without any line loss. This is a state-of-the-art technology.

Yes, a tremendous value in the Washington office. It's co-located in the Canadian embassy. We're the only jurisdiction to have an office co-located in Washington. It is reaping benefits, especially now when there is a bit of a risk of having a policy implemented that may put quite a larger onus on a very small population, 3 and a half million people in Alberta, in terms of energy cost and production.

The Chair: The hon. member.

Mr. Rodney: Thank you so much, Mr. Chair. Those are extremely valuable clarifications.

I do have a question for the Premier about the branding campaign. It does relate to my previous question having to do with our friends – and I mean our friends – in Washington, DC. We've had all sorts of feedback on the branding, and I suppose that's quite natural in that it's very near and dear to the hearts of Albertans and how we communicate with people well beyond our borders. That's the lead-up to my question. What can our hon. Premier tell us about the role that our representatives in Washington have when it comes to supporting this new brand campaign? Again, what role do our representatives in Washington have in supporting our brand campaign?

Mr. Stelmach: The branding campaign will be in partnership with our office in Washington because the logo, the video, all of the information will be able to tell Alberta's whole story to not only people in Washington, decision-makers in Washington, but also to state governors, especially the Western Governors' Association, where we'll be taking that this spring. We're also going to, again, the state of Texas. We're going to be doing some work in California. These are all important areas for getting the correct information out.

Really, the branding speaks to our values. These are values that govern our decisions about energy. They honour our decisions with respect to environment and also the economy. It is the time to do it. Alberta has such a positive story.

It's amazing that when I was in Texas and met with the governor and some of the private-sector individuals – in fact, the economists at Rice University were not aware that in the province of Alberta we have a flat tax, a 10 per cent flat tax. It doesn't matter how much you earn. They thought that only in Texas do they have a tax situation like that. That tells us that we have a lot of work to do.

We also have to clearly – clearly – articulate to U.S. decision-makers that we develop our resources responsibly, be clear on the very tough water regulations we have, pipeline regulations, how we drill wells because they just do not have that information. The only way to do it is to work with them face to face and through the branding initiative.

The Chair: The hon. member.

Mr. Rodney: I'll thank the Chair and the Premier. I understand that the leader of the third party has some urgent questions to ask, so I'll turn the floor over to him with the time remaining.

Mr. Mason: Thank you to the member. That's most gracious.

Can you tell me how many minutes I actually have? Six minutes. Okay. That's great. Thank you very much.

I wanted to ask the Premier a question about the government's assessment of the threat to Alberta's economy that is posed by the movement in the United States and other parts of the world to reduce or eliminate the purchase and consumption of heavy oil, or so-called dirty oil. I want to take the opportunity to indicate that, you know, our view is not that the tar sands, or the oil sands, should be shut

down but that they should be cleaned up, that they represent a very key element to our economy and that they represent jobs for tens of thousands of workers, many of them unionized, both on the construction side and on the operations side.

It's our view that the failure to deal adequately with environmental concerns, whether it be downstream effects on the water, the tailings ponds, the failure to use dry tailings and to demand dry tailings for new projects as well as to impose hard caps on emissions has in fact represented a very serious threat, which is being exploited by various organizations, particularly in the United States as that's the major source of our oil.

5:50

In our view, the best thing to do for Alberta and for the future of that important engine of our economy is to clean up the tar sands and to present a much better image internationally, particularly in the United States, at the same time recognizing that at some point we're going to have to transition away from carbon-based fuels. Those decisions will not be made in this province but will be made internationally, so we need to prepare for that day.

I would like to ask the Premier, you know, how they assess the risk to the tar sands, to the oil sands, as a result of changes politically in the United States. Certainly, as long as George Bush was the President, Alberta had a certain umbrella, had a certain protection, and it was clear that the United States was not going to impose any legislative or regulatory changes that would harm our operations and our export of oil from Athabasca tar sands. But that has changed, particularly with respect to the new administration in Washington as well as the new Congress as well as state Legislatures as well as the activities of various environmental and other organizations. How does the government assess the threat, and do they agree that we have to clean up our own act as well in the Fort McMurray area in order to safeguard the future economy of our province?

Mr. Stelmach: Clearly, the questions that the hon. member has raised signal that we have a lot of work ahead of us to get the correct information out. Carbon: one-tenth of 1 per cent. Open-pit mining: 500 square kilometres of 140,000 square kilometres. Our participation in SAGD. Our participation in recovering all of the land that is being disturbed. Those are the rules. The money is in place. The companies have to set money aside to do that.

Unfortunately, you know, the *National Geographic* article wasn't that bad, but it's the pictures – okay? – that show disturbed land. Do you think they would put at least a little picture, maybe five inches by five inches, of the land that was already reclaimed? No, because you'd change the opinion. You can't do that.

Let's look at some facts. Well, the global supply of light sweet crude is declining by a rate of 1 per cent every year. There are no new fields. That's it. Compare that to world demand rising by an average of about 2 per cent. So we do need the oil sands.

Now, do the Americans want it? Of course, they want it. Do they want it discounted? Well, of course. Find some way. That's why we're spending the amount of money on the two lobbyist efforts and the Washington office. I can tell you that it will be through some

scheme, some administrative instruments, in a document that's going to be this thick, that a few years from now they might sneak one on us. That's why we have to be so careful. The \$10 million that we're spending on branding, the \$40,000 a month we're spending for this coming year on the two lobbyists is a pittance, a small amount, in terms of the risk to the next generation and the generation after that of Albertans.

For political purposes we can argue this all day long, but the long-term decision by the two, the Prime Minister and the President, has significant implications in the province of Alberta and, indeed, to a degree, in the province of Saskatchewan.

Now, reputation of investment. Yes, they were getting to people in major investment communities, to say: well, Alberta isn't doing a good job. When you go see them, when you talk to the economist, they don't have the information. They listened to some NGO that gave them incorrect information, making billions of dollars of investment on misinformation. That's why we have to put in this effort, and we're going to continue. The \$25 million, I can tell you, is a small, small investment.

The Chair: I hesitate to interrupt the leader of the third party, but pursuant to Standing Order 4(3) the committee shall now immediately rise and report progress on the estimates of the Department of Executive Council.

I'd like to invite our staff guests to depart from the Chamber.

[The Deputy Speaker in the chair]

Mrs. Leskiw: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions for the Department of Executive Council relating to the 2009-10 government estimates for the general revenue fund and lottery fund for the fiscal year ending March 31, 2010, reports progress, and requests leave to sit again. I wish to table copies of all amendments considered by the Committee of Supply on this date for the official records of the Assembly.

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

Hon. Members: Concur.

The Deputy Speaker: Opposed? So ordered.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you very much, Mr. Speaker. What an excellent afternoon of great debating of a great department. I want to congratulate our Premier on hanging in there and answering those questions so well – thank you – and all the members who participated and asked some very good questions.

I would move that we call it 6 p.m. now and adjourn until tomorrow at 1:30 p.m.

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

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