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The Honourable Kenneth R. Kowalski, Speaker

Legislative Assembly of Alberta
The 27th Legislature
 Third Session

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Legislative Assembly of Alberta

1:30 p.m.

Wednesday, February 17, 2010

[The Speaker in the chair]

Prayers

The Speaker: Hon. members, after the prayer I would ask you all to remain standing as I pay tribute to a former colleague who has passed away.

Let us pray. Renew us with Your strength. Focus us in our deliberations. Challenge us in our service to the people of this great province. Amen.

Mr. Frederick Haliday Peacock November 23, 1916, to February 15, 2010

The Speaker: Mr. Frederick Haliday Peacock, former Member of the Legislative Assembly, passed away on Monday, February 15, 2010, at the age of 93 years. Mr. Peacock was first elected in the election held August 30, 1971, and served two terms, until February 14, 1979. During his years of service he represented the constituency of Calgary-Currie for the Progressive Conservative Party.

During his term of office Fred Peacock served as Minister of Industry and Tourism and Minister of Industry and Commerce. He also served on the standing committees on Public Accounts; Public Affairs; Law and Regulations; Public Affairs, Agriculture and Education; Alberta Heritage Savings Trust Fund Act; and on the Select Committee of the Legislative Assembly Reviewing Intra Provincial Trucking Regulations.

Mr. Peacock served as Agent General Asia Pacific for the Alberta government from 1982 to 1985.

With our admiration and respect there is gratitude to members of his family, who shared the burdens of public office. Our prayers are with them.

In a moment of silent prayer I ask you to remember hon. Member Frederick Haliday Peacock as you have known him. Rest eternal grant unto him, O Lord, and let light perpetual shine upon him. Amen.

Please be seated.

Introduction of Guests

The Speaker: The hon. Minister of Health and Wellness.

Mr. Zwozdesky: Thank you very much, Mr. Speaker. It is such a pleasure today to introduce to you and through you to all members here about 50 visitors from the lovely school in my area called Mill Creek elementary. They are here with their teacher and group leaders Mrs. Rushmi de Rincón and Ms Mara Rodríguez. I would ask them to all please rise now and receive the warm applause of the Assembly.

Thank you very much for being here.

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

Mr. Rogers: Thank you, Mr. Speaker. It's with pleasure that I introduce to you and through you to all members of this Assembly a group that is seated in the members' gallery. They are from CAMTA, the Canadian Association of Medical Teams Abroad, including, I'm pleased to say, a constituent of mine, Christina Prins, who happens to be the niece of the Member for Lacombe-Ponoka. Christina is here with six other people from the group. They are

John Lilley, Eileen Guilfoyle, Pablo Valenzuela, Donnie McIntosh, Trina LeBlanc, and Nicole Beaudoin. They are going to Quito, Ecuador, on a medical mission this month with CAMTA. On the trip CAMTA plans to perform over 40 hip replacements on adults and over 40 operations on club feet or the hips of children. I'd ask them to rise and receive the warm wishes and the warm welcome of the members of this Assembly.

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

Mr. Sandhu: Thank you, Mr. Speaker. I rise today to introduce to you and through you five guests from the Canadian Somali community seated in the public gallery. Earlier this week we spoke, and our discussion focused on their desire to integrate into our society and truly be Canadian. I would like to welcome five Canadians: Jama Nur, Farah Bubyare, Nasteha Ahmed, Saida Hussain, Kahiye Dubow. I believe it's more than five, but I do not have all the names. I would like to ask them to please rise and receive the traditional warm welcome of this Assembly.

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

Ms Blakeman: Thank you very much, Mr. Speaker. Now, I have a number of special groups in the fabulous constituency of Edmonton-Centre, but certainly the most glamorous, definitely the best tiaras is the Imperial Sovereign Court of the Wild Rose. I will be doing a member's statement about this organization later, but right now I'd like to introduce to you and through you to all members of the Assembly the individuals who currently comprise the 34th house of the imperial court in Edmonton. If you would please rise as I call your name. First we have Imperial Crown Princess XXXIII Kelsey-Breeze, Imperial Grand Duke JeffyLube XXXPress, Imperial Grand Duchess Kitty LeBehr, Imperial Crown Princess GoDiva, Imperial Crown Princess Empress XXXIII Marni Gras, and Her Most Imperial and Sovereign Majesty Empress XXXIV Ivanna Diamonds. Please welcome them to the Legislative Assembly.

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

Mr. Mason: Thanks, Mr. Speaker. The wild rose has never looked better.

I'm very pleased to introduce to you and through you to this Assembly three members of the University of Alberta New Democratic Party campus club, seated in the public gallery. The U of A Campus NDP provides a forum for students who are passionate about such issues as social justice, accessible postsecondary education, and a sustainable environment. The club has hosted a number of events this year, allowing students to have a chance to have dialogue with elected officials from both the provincial and federal levels of the NDP. With us today are Joel French, president of the U of A campus club; Kayla McCarthy, the vice-president internal; and member at large Aditya Rao. Mr. Speaker, I'd ask that my guests now rise and receive the traditional warm welcome of this Assembly.

Members' Statements

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

Family Day

Mr. Sandhu: Thank you, Mr. Speaker. This past Monday, February 15, was a public holiday in Alberta to celebrate Family Day. This

holiday has been celebrated since 1989, when former Premier Don Getty introduced the Family Day Act. He wanted to recognize the importance of the family as it was families who built this province and continue to make Alberta a great place. This holiday is also celebrated in Saskatchewan and Ontario, and a provincial holiday is also held on the third Monday in February in Manitoba as Louis Riel Day and in Prince Edward Island as Islander Day.

There were celebrations around our province, including festivities right here at the Legislature. In my constituency of Edmonton-Manning I attended the Kilkenny Family Fun Day. There were many fun activities, and a great day was had by all.

Our government also marked the ninth annual Family Day free fishing weekend from February 13 to 15, where Albertans are allowed to fish in any public body of water that has an open fishing season without a fishing licence.

I would like to thank the different communities and groups that organized activities throughout the province to make this a special day. Thank you, Mr. Speaker.

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

Imperial Sovereign Court of the Wild Rose

Ms Blakeman: Thank you very much, Mr. Speaker. Earlier I introduced Edmonton's 34th House of the Edmonton Court of the Wild Rose, and I'm going to take this opportunity now to celebrate this organization and the work that they do. The Imperial Sovereign Court of the Wild Rose is operated by the New Royalist Social Society of Northern Alberta. It is part of the International Court System, which began in 1965 in San Francisco. The society's goal is to raise funds through activities for charities and other organizations which either provide direct services to the gay community of Edmonton or which work to promote an accepting attitude to gays and lesbians in the community as a whole. It is a volunteer organization dedicated to the betterment of the community.

1:40

The court includes an empress and emperor, who are elected by members of the community, and they act as figureheads of the organization, goodwill ambassadors in the community, spearheading charitable fundraising efforts and at their own expense representing the city of Edmonton and the province of Alberta throughout North America.

I have attended the end-of-the-year ball many times and admire the incredible amount of work that goes into serving in the royal house of that year. Most of the money raised is raised from members of the GLBT community themselves. The Edmonton court has raised hundreds of thousands of dollars since its inception. All of this money stays in Edmonton, funding AIDS/HIV research and support services, domestic abuse, breast cancer, the Children's hospital, homelessness, and the John M. Kerr memorial scholarship award to further the education of gay and lesbian students in the province of Alberta.

Among many others, the 34th house under Empress Ivanna Diamonds will be supporting the following charities: prostate and breast cancer, HIV research, and Camp fYrefly, a camp for gay, lesbian, and transgendered youth.

My thanks to this organization for its contribution to my city. Your work is most impressive and generally goes unsung.

Thank you so much.

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

Making Space for Children Innovation Fund

Mr. Bhullar: Thank you very much, Mr. Speaker. This past Friday I had perhaps one of the greatest days in my constituency, when I had the opportunity to visit first the Boys and Girls Club of Penbrooke and, secondly, the Honey Bear Day Care. It's there that I met little Paige. She's two years old. She saw me come into the room, and she ran up to me, which doesn't always happen with young kids. I picked her up, and she gave me the biggest hug of my life. I visited the rest of the daycare, and every time the staff would try to take Paige away and say, "Paige, he's got to move on," she would cry. I was about to cry, too, so I kept little Paige with me the entire time. It was an absolutely beautiful moment that a politician gets to connect with his constituents in a manner that I think is most profound.

Now, I owe this moment to the ministry of children's services for their making space for children space creation innovation fund. It's through that program, Mr. Speaker, that my constituents get to have more child care spaces in our constituency. The Elf Inn daycare received enough funding for 55 new spaces, the Boys and Girls Club of Penbrooke received funding for 15 new spaces, and the Honey Bear Day Care received funding for eight new spaces. Since April 2008 I am pleased to say that 12,575 new spaces have been created across Alberta. This is no small accomplishment.

To the hard-working families of Calgary-Montrose, to the hard-working young families across Alberta this investment means that their children get a better start to ensure Alberta is in the best hands possible in our future.

The Speaker: The hon. Member for Calgary-Fish Creek.

Vancouver 2010 Olympics

Mrs. Forsyth: Thank you, Mr. Speaker. Many Canadians are joining together to celebrate the 2010 Olympics, as we did in 1988, when the world came to Calgary. Many of us in the Assembly remember what it was like to host the Olympics, to watch Canadian athletes like Karen Percy or Elizabeth Manley take the podium. We remember that the focus of the Olympics is the athletes and the love of sports.

Unfortunately, Mr. Speaker, some groups are trying to hijack the Vancouver Olympics for their own purposes. These same protesters will use any event – a meeting of the world leaders, the death of someone in the public spotlight, a tragedy, or the Olympics – to try and get media coverage. In a democracy people have the right to speak freely and to gather in a peaceful manner. But what we see happening in Vancouver is not lawful, and it's not peaceful.

Mr. Speaker, the Olympic motto is Swifter, Higher, Stronger. It is a motto that pushes athletes to excel. The Olympics are supposed to be an opportunity where athletes showcase their amazing talents. Running a police barricade is not a sport; it is serious business. It takes away from the years of training that Canadian athletes have put into their sport as they represent our country.

Mr. Speaker, I'm a proud Canadian, I love amateur sports, and I love the Olympics. I am cheering on not only our Alberta athletes but all of the Canadian competitors, who are working so hard to bring home the gold or to simply achieve a personal best.

As the Vancouver Olympics continue, let's hope that these protesters look for proper ways to express their point of view instead of trying to overshadow the athletes, who have worked so hard to get there and to do their country proud.

Finally, Mr. Speaker, go, Canada, go.

The Speaker: The hon. Member for Grande Prairie-Wapiti.

Grande Prairie Area Schools

Mr. Drysdale: Thank you, Mr. Speaker. Today I'm pleased to rise and congratulate students, staff, and parents at three Grande Prairie and area schools. On January 18 I attended with the Minister of Education and the Minister of Infrastructure the official school openings of the Hythe regional school and the Alexander Forbes school, which have been newly renovated, and the newly built Mother Teresa Catholic school.

Grande Prairie is one of Canada's fastest growing cities, and these three schools will help meet the needs of our growing population. We want to provide students with a place that they look forward to going to every day and a place that inspires and supports learning.

The two renovated facilities were not only refurbished but wired and equipped with the latest learning technologies. They have more natural light, improved acoustics, and enhanced connectivity. These classrooms look like permanent classrooms, but they give school boards the flexibility to respond quickly and easily to changing enrolment and community needs.

I noticed with pride that these new and newly refurbished schools demonstrate our government's commitment to providing safe and secure learning environments for our children. They are great examples of how government and communities work together. Since these schools have opened, they have already become hubs of their communities, providing after-hours recreational opportunities and places to play and pursue active living. They are all top-quality schools that meet the growing, changing community needs in Grande Prairie and area. Projects such as these help advance our Premier's vision for strong, safe, and vibrant communities. They are a good investment in the future of our children and this province.

Once again, I would like to extend my congratulations to the students, staff, and parents at Hythe regional school, Alexander Forbes school, and Mother Teresa Catholic school.

Thank you.

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

Reading Milestone at C.J. Schurter School

Ms Calahasen: Thank you, Mr. Speaker. It took 15 years, a whole lot of staff members, the librarian, thousands of students, parents, and community volunteers from C.J. Schurter school in Slave Lake to reach their goal, and their goal was to read and share 1,500,000 stories. There is something very special about being able to pinpoint the exact moment when we reach a goal. At exactly 9:40 a.m. on Monday, March 16, 2009, C.J. Schurter school did exactly that, recorded their reading milestone.

This all began when librarian Marge Rennick and her committee organized a student reading incentive to celebrate the then 1994 Arctic Winter Games in Slave Lake. Students were encouraged to read for Rocky, the Arctic Winter Games mascot. However, in September 1994 special ed teacher Helen Ord and her team of educational assistants took this initial concept and developed it into a powerful reading link between home and school that enhanced early literacy skills.

In September 1996 the Reading Cottage was introduced. Students were encouraged to bring their completed reading sheets down to the cottage, where staff would then write the child's name on a square located on the specific story character they were reading at the time.

Now, Snow White, Peter Pan, Cinderella, Wizard of Oz, Winnie the Pooh and friends, Franklin and friends, and Muppets, just to

name a few, lined the hallways at C.J. Schurter, containing the names of all the special students that have participated in this program.

However, in September 2004 the program moved from the special ed area to each individual classroom. Teachers and students recorded the stories read in the classroom and reported the number of experiences at each assembly.

It is common wisdom that literature expands our perspective of the world. In the words of Dr. Seuss: "The more that you read, the more things you will know. The more you learn, the more places you'll go."

Congratulations to the visionaries and the whole community for nurturing reading as a great experience. Keep up the great work.

1:50

Oral Question Period

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

Surgery Wait Time Reduction Strategy

Dr. Swann: Thank you, Mr. Speaker. My heart goes out to all Albertans whose surgery has been delayed because of this government's mismanagement of the health care system. We support reducing wait times and wait-lists. Our concern is the way this government is handling and accomplishing this task. Of the hip and knee surgeries announced yesterday, 83 per cent are going to be performed at a premium at for-profit corporate health centres. To the Minister of Health and Wellness: will the minister tell Albertans how much of the \$8 million boost is going to for-profit hip and knee surgery providers?

Mr. Zwozdesky: Mr. Speaker, the point here is that people who are enduring long waiting lists don't have to wait as long anymore because we're speeding things up. I have asked for a cost-benefit analysis to be done. That's being done because I want to make sure that for the services we're providing to Albertans, we're getting fair dollar value. At the same time I want to assure Albertans that regardless of where they get that surgery performed, it's fully covered by this government.

Dr. Swann: Well, again to the same minister: why are we giving so much less to public institutions versus for-profit private providers?

Mr. Zwozdesky: Mr. Speaker, I think that if you took an analysis of the \$9 billion – that's with a B for Bob, \$9 billion – that we're putting into Alberta Health Services' budget, with the increase that we've given them, guaranteed 6 per cent over the next three years after we've adjusted their base, you would find that by far the largest amount of that money is going into public institutions and publicly funded services.

Dr. Swann: The minister seems to be able to provide exact numbers of procedures for the funding to each institution, but he will not give us the exact dollar amount. Will you present the House with a dollar amount that's going to the private versus the public system in this \$8 million?

Mr. Zwozdesky: Mr. Speaker, as soon as those surgeries are performed and accomplished, that's public information. Everyone has access to it. This is an open and transparent process. What we've done is work with those providers, those professionals, those surgeons, those surgical teams, and the list goes on, all across the

province. They're the ones who deserve the credit for stepping up to the plate and saying: yes, we will work some weekends to accomplish this; yes, those of us who are working part-time will work more full-time hours. Those who are already working full-time will work some overtime to help accomplish this for Albertans.

The Speaker: Second Official Opposition main question. The hon. Member for Edmonton-Riverview.

Dr. Taft: Thanks, Mr. Speaker. People are asking me why the vast majority of surgeries announced yesterday by the Minister of Health and Wellness are going to for-profit health corporations in Calgary. According to Alberta Health Services Calgary gets 200 extra hip and knee surgeries in the next six weeks while Edmonton and presumably all of northern Alberta get a total of 16. To the minister: why the 10 to 1 discrepancy in favour of Calgary?

Mr. Zwozdesky: Mr. Speaker, that is an offensive question, and the member knows it. The fact is that waiting lists are managed by doctors, not by this minister and not by the Health Services people. Waiting times are what we're trying to impact, and if we get that right, and I think we are, it will affect the waiting lists. The fact is that these lists are done up at the local level by the surgeons, and when they compile all of their information, they tell us where it is that the lists are needed to be dealt with as expeditiously as possible. It turns out that in this case, for this one example, the member may be right. But we could look at other examples, too, of different surgeries.

Dr. Taft: Well, to this same minister: is this government paying a premium to the for-profit orthopaedic centres for hip and knee surgeries? In other words, will the for-profit providers be paid exactly the same as public hospitals for the same kind of cases, or will they be paid more?

Mr. Zwozdesky: Mr. Speaker, that's a very good question. The fact is that you can't compare one system that finitely with the other because in the public system there are a lot of costs that are absorbed by the public institution, which don't stand out and jump off the page, but when you contract out, you get an exact amount. You can't do and you can't compare the math that simply and that easily. To answer the member's question just a little bit further, a cost-benefit analysis is being done with respect to some of these surgeries right now. I'll ask for more to be done, and I'll be happy to share it with the hon. member.

The Speaker: The hon. member.

Dr. Taft: Well, thanks, Mr. Speaker. Calgary's system of for-profit cataract surgery has been plagued with problems for years, including conflicts of interest, long waiting lists, and quality concerns. In Edmonton's public system these are simply nonissues. Why is the Minister of Health and Wellness rewarding the problems in Calgary's for-profit system and penalizing the successes of public care in Edmonton?

Mr. Zwozdesky: Mr. Speaker, there's an RFP process going on across the province right now. It's a request for proposals. It will be brought forward. There's a cost analysis coming forward. I can tell the hon. member and all Albertans, for that matter, that when you look at the costs for cataract surgeries, regardless where they're done but in this case Calgary specifically, the cost on average is less when

they're contracted out than when they're done in the public institution, and we're going to prove that.

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

Provincial Borrowing

Mr. MacDonald: Thank you, Mr. Speaker. Yesterday, when the Official Opposition asked the Premier about our public debt, he stated, "We are not adding to our debt." Page 24 of the fiscal plan, the government's budget, states explicitly that this government plans to directly borrow \$3.3 billion over the next three years. My first question is to the President of the Treasury Board. If direct borrowing is not considered a debt, what exactly did the Premier mean yesterday in the House?

Mr. Snelgrove: Mr. Speaker, borrowing \$3.3 billion is a debt, and when it's spent on capital projects for the government, it becomes an asset. In our consolidated financial statement we will offset borrowed money with a capital project, which at the end of the day balances even, gets us good value to continue to build while prices are right.

Mr. MacDonald: Again to the same minister: why are debt-servicing costs doubling over the next four years to over \$400 million?

Mr. Snelgrove: Mr. Speaker, we also have tools that have been used very effectively by this government, some P3 partnership groups that are building ring roads around these cities, that need to be paid for. All of the capital debt that we're assuming is accounted for I think on page 70, where it spells out that this interest will be paid to support our capital investment in our infrastructure.

The Speaker: The hon. member.

Mr. MacDonald: Thank you. I would remind the President of the Treasury Board that the 3P debt, all 5 billion plus dollars of it, is in another section of the fiscal plan. We're not talking about 3P debt here.

Now, again, if you borrow money, you have to pay it back. That's a debt. What is this government's plan to pay back the \$3.3 billion in debt that it is taking on as a direct result of your years of fiscal mismanagement?

Mr. Snelgrove: Mr. Speaker, you know what? We do believe in Alberta, and we believe in Albertans. We believe that if we invest in the infrastructure that enables business to thrive and come to Alberta and grow its economy, we will take our fair share as the Alberta government, we'll reinvest it in the programs that they all want us to, in health and education, and we'll build a bigger pie rather than shrink the pie and all suffer and be happy together like them.

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

Centralization of Cytology Lab Services

Mr. Mason: Thanks very much, Mr. Speaker. This government's plan to centralize cytology lab services in Edmonton and Calgary will cost more money, and it will jeopardize patient safety. That's

what two-thirds of the province's top pathologists have told this government in letters that we're tabling in this House today, and that's why this government cannot be trusted with public health care. Centralizing labs will delay test results and raise the risk of patients being misdiagnosed and mistreated. Will the minister of health immediately reverse his move towards centralization and privatization of lab services in this province, and if not, why not?

Mr. Zwozdesky: Mr. Speaker, I've received a few letters on this subject, and I thank the member for bringing it to our attention. The fact is that I've already agreed to a meeting with the pathologists and staff from the Red Deer hospital, and I'll be meeting with them next week.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Well, we already heard the minister say that privatizing and contracting out is cheaper than doing it in the public system. He's already made up his mind on that point. But the doctors who've written these letters don't mince words. They see hospitals losing experts that they need to diagnose diseases, and there's no financial benefit, but it puts patients at unnecessary risk. I want to ask the minister why he won't admit that this move to privatize this area of the health care system will jeopardize patient care and reverse his plan to centralize and privatize lab services in Alberta.

Mr. Zwozdesky: Mr. Speaker, just for the record I was speaking about cataract surgery specifically. We know that on average they don't cost any more in this setting than in that setting. I said that I'm looking at other costs to do with hip replacements, knee replacements, shoulders, and so on because I want to convince myself more so that that is exactly the fact, that it is cheaper or, at least, not more expensive, depending on where it gets done.

Specific to the cytology example I am sensitive to what you're saying, hon. member. I'm going to have a meeting next week, find out more about it, and I'll be happy to chat with you after that.

2:00

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. A government that would close labs in hospitals is not a government that we can trust to protect health care. For example, a patient who needs urgent treatment for colon cancer could be left waiting much longer for test results that should have been looked at in conjunction with one another, not two different labs in two different cities. Why won't the minister admit that this plan will cause harm to patients and reverse the decision to centralize these labs?

Mr. Zwozdesky: Mr. Speaker, I'm not familiar with the intimate details of that plan. It has just come to my attention. I've already indicated the proactive step I've taken to meet and learn the information. That's part of my hands-on issues approach. I can assure the hon. member that I will look at that very thoroughly and very carefully. I just want, at the same time, to assure Albertans that they will not be compromised for quality or safety regardless of what the decision is.

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

Activity-based Funding Model for Hospital Care

Mr. Allred: Thank you, Mr. Speaker. I've talked to many members of my constituency who are concerned about health care service and equally so about health care costs. Constituents in my area are quite familiar with different funding models such as population-based funding, needs-based funding, and global, or general, funding. However, not everyone knows exactly what activity-based funding means. My questions are to the Minister of Health and Wellness. Firstly, if Alberta Health Services is moving to activity-based funding, can the minister explain what that is and why they're going in that direction?

Mr. Zwozdesky: Thank you, hon. member. That, too, is a good question. There are different funding models, and I think the one that we're able to bring onto the scene now that we have a five-year predictable, stable funding plan includes activity-based funding, which in a nutshell can be described as funding that follows the patient. What we've had in Alberta for quite some time now you might call the last item, which I think you referred to as general funding or something to that effect. What we're saying now is let's work with the people delivering the services and the people designing them, bring that together, and provide as much as we can as quickly as we can on that new formula.

The Speaker: The hon. member.

Mr. Allred: Thank you, Mr. Speaker, and thank you, Mr. Minister, for that answer. My second question again is to the Minister of Health and Wellness. Please explain if there are any specific advantages or disadvantages to this system of funding as opposed to the previous systems that were used in Alberta.

Mr. Zwozdesky: Mr. Speaker, I think some of the advantages that we're going to see once this is fully implemented – and it'll take a year or two to see some of those results as plainly as we'd like – is some cost-effectiveness. That would be one thing. I think you'd see some streamlining but, in general, much better planning and a much better handle on exactly what we're doing, how long it takes to do it. That ties in with the dashboard indicators, which Alberta Health Services provided about January 21 or 22, somewhere in there, that talked about specific measurements and benchmarks. This is all part of that plan.

The Speaker: The hon. member.

Mr. Allred: Thank you, Mr. Speaker. That sounds very impressive. Mr. Minister, what assurances can you give Albertans that activity-based funding will result in a better value for taxpayer dollars?

Mr. Zwozdesky: Well, Mr. Speaker, that will be part of the cost-benefit analysis that I referred to earlier. As part of that we're very cautious and very careful about how taxpayer dollars get spent, but we don't want that to interrupt the good flow of improved services to Albertans such as with the announcement yesterday, such as with this announcement of activity-based funding, which we think and hope and are quite confident will deliver the results we're looking for.

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

Environmental Protection

Ms Blakeman: Thanks very much, Mr. Speaker. This government is not helping our oil and gas industry by failing to take the lead on environmental protection. Instead, the government is jeopardizing this sector, its reputation, Alberta's competitiveness, and the ability to maintain a strong industry into the future. We can have both a strong energy policy and a strong environmental policy. My questions are to the Minister of Environment. The energy sector is getting ramped up. Why isn't environmental protection?

Mr. Renner: Well, Mr. Speaker, I couldn't agree with the member more when she says that our ability to conduct business in the world of resource development is dependent upon our ability to demonstrate clearly that we have the necessary regulatory environment in place to ensure that we protect the environment and develop those resources appropriately. I couldn't disagree with the member more when she says that Alberta Environment is not ramping up and preparing for it. That's exactly why we're developing the cumulative effects environmental management.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Back to the same minister: given that the land-use framework banks on growing production in the oil sands and thus intensity targets will not be effective in even maintaining the current levels of carbon output, when will the minister implement hard targets?

Mr. Renner: Mr. Speaker, the issue of hard targets is very much part of the discussion that's ongoing now nationally and internationally. To directly answer the member's question, Alberta will adopt hard targets when the rest of North America adopts those same hard targets.

Dr. Taft: Well, that's leadership.

Ms Blakeman: Yeah. Dawdling at the back.

Okay. To the same minister: given that the ministry has had significant cuts for the upcoming year, how does the minister expect to do more monitoring and compliance enforcement for more industrial activity with less money?

Mr. Renner: Well, Mr. Speaker, that question is just about impossible to answer in the 30 seconds that you will allow me. So I would suggest that this member come to the estimates for the Department of Environment, and I will be more than happy to go through it in great detail for her.

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

AltaLink Electricity Transmission Line

Mr. Prins: Well, thank you, Mr. Speaker. AltaLink, which is an electric transmission facility operator, has been holding information meetings throughout central Alberta these past few days and weeks regarding several possible routes for the new 500-kilovolt HVDC line. This line directly impacts my constituents, so my question to the Minister of Energy is: what is the process to determine the final preferred route?

Mr. Liepert: Well, Mr. Speaker, the member is correct that meetings are taking place right now with the proponents, in this case

AltaLink, with the constituents of his constituency. This is part of the process where the proponents are required to gather input from Albertans. Once that consultation is completed, there will be an application filed with the regulator – this is the normal course – and then the regulator will decide the final route.

The Speaker: The hon. member.

Mr. Prins: Thank you, Mr. Speaker. A big concern to my constituents is compensation to landowners. Again to the Minister of Energy: what is the process to establish a fair and equitable compensation package for landowners?

Mr. Liepert: Well, I think that is something that needs clarification, Mr. Speaker, because really the compensation comes down to an agreement between the proponents and the landowners. In this case AltaLink will be negotiating with landowners to secure easements. The company has stated publicly that it's their intention to pay fair market value. Those agreements would then take place but not until after the commission hearings and the route is determined.

The Speaker: The hon. member.

Mr. Prins: Thank you, Mr. Speaker. My final question is also to the Minister of Energy. What is the role of the Alberta Utilities Commission, or the AUC, in relation to the issue of compensation, including the role of the AUC in limiting the amounts of compensation?

Mr. Liepert: Well, the AUC does not deal with the compensation as such between the landowners and the transmission facility owners. That is something, as I mentioned in my previous supplementary answer, Mr. Speaker, that is negotiated. What is important is that the Utilities Commission through the hearings process determines what part of those costs will be passed on to consumers. It is important to note that only an amount that is considered prudent can be recovered and passed on to consumers. So that's the only part of the agreement that consumers will bear the cost of.

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

Support for the Horse-racing Industry

Mr. Hehr: Mr. Speaker, yesterday the Minister of Employment and Immigration mused about the government's \$26 million handout to Horse Racing Alberta. A recent report submitted by George Cuff & Associates to the Solicitor General shows that horse racing is a dying industry kept on life support by revenue from slot machines and off-track betting. Accordingly, how can the Solicitor General claim that spending \$26 million on horse racing and a breed renewal program represents sound fiscal policy?

The Speaker: The hon. Solicitor General and Minister of Public Security.

Mr. Oberle: Thank you, Mr. Speaker. The member would know or should know by now that the government does not transfer taxpayers' dollars to Horse Racing Alberta. It's a contract that Horse Racing Alberta has with the provincial government that allows it to keep a portion of the revenues generated from gaming facilities at racing tracks.

2:10

The Speaker: The hon. member.

Mr. Hehr: Well, thank you, Mr. Speaker. I've read the report, and the report indicates something different than what the hon. member just answered, so I guess before I ask my final supplemental: have you read the Cuff report?

Mr. Oberle: Mr. Speaker, the member is in error. It's quite clear that the government of Alberta has a contract with Horse Racing Alberta which allows them a portion of the revenues that are generated from slot machines at racing entertainment centres.

The Speaker: The hon. member.

Mr. Hehr: Well, thank you, Mr. Speaker. This report that maybe the hon. member has or hasn't read indicates that instead of merely regulating horse racing, the government has chosen to actively promote the industry. To the same minister: why is a government that is allegedly not in the business of being in business actively promoting and propping up an industry most Albertans don't care about to the tune of \$26 million?

Mr. Oberle: Mr. Speaker, I'll point out again that those monies are generated from slot machines that are run at racing entertainment centres, and while a portion of the money that is generated there goes to Horse Racing Alberta, another portion of it goes to fund charitable organizations across our province, maybe some of them in that member's constituency.

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

Crime and Safe Communities

Mr. Bhardwaj: Thank you very much, Mr. Speaker. Time and time again the police in Alberta announce successful drug busts and apprehension of drug dealers. While it makes positive headlines for a few days, these drug dealers are more often than not ultimately let go. I believe and my constituents believe that shutting down drug houses and locking up drug dealers is a critical component of keeping our communities safe, so my questions are to the Minister of Justice and Attorney General. What is your department doing to stop the revolving door of justice?

The Speaker: The hon. minister.

Ms Redford: Well, thank you very much. It's been a very interesting couple of weeks in both Calgary and Edmonton with respect to law enforcement. The police have done a tremendous job in making our communities safe in the past two weeks. Unfortunately, what we do find from that, Mr. Speaker, is that as a result we have people who are in jail looking for bail. Bail is something that is part of the federal Criminal Code tests. We are continuing to lobby the federal government to try to ensure that they can amend the test so that we don't see this revolving door. We share this concern with the mayor of Edmonton.

The Speaker: The hon. member.

Mr. Bhardwaj: Thank you very much, Mr. Speaker. My next question to the same minister: the safe communities initiative has been very popular in my constituency of Edmonton-Ellerslie, but there are concerns with cross-ministry budget cutbacks that SafeCom will suffer. Can the minister tell this House what the new budget and potential cut mean to the safe communities initiative?

The Speaker: The hon. minister.

Ms Redford: Well, thank you, Mr. Speaker. There is no doubt that we are going through some difficult times, but I am so pleased that this Premier and this government have maintained their financial commitment to the safe communities budget. In fact, in reviewing the budget documents, there has been no reduction to our safe communities commitment.

The Speaker: The hon. member.

Mr. Bhardwaj: Thank you very much, Mr. Speaker. My final question to the same minister: can Albertans expect anything new on the legislative front that will make Alberta communities safer?

The Speaker: The hon. minister.

Ms Redford: Thank you, Mr. Speaker. I am very pleased yet again to have a fairly busy legislative session with respect to legislation. We have already created a very strong web of legislation to assist police with our mandatory gunshot legislation, our civil forfeiture legislation. This spring we'll also be introducing legislation that deals with the restriction of armoured wear, bulletproof vests, and also witness protection legislation.

The Speaker: The hon. Member for Lethbridge-East, followed by the hon. Member for Calgary-Fish Creek.

Livestock Industry

Ms Pastoor: Thank you, Mr. Speaker. According to the Canadian beef producers as of January 1, 2010, cattle inventories are at their lowest in 15 years and hog inventories at their lowest in 12 years. Last year the Alberta livestock and meat strategy and agency received over \$100 million in government funding, with a similar amount estimated for the next year. To the Minister of Agriculture and Rural Development: how can the minister deem this an effective use of these dollars while the industry continues to deteriorate?

The Speaker: The hon. minister.

Mr. Hayden: Thank you, Mr. Speaker. Of course, ALMA, that was just referred to, is an agency that has just started up, and we're already seeing good results from that agency. A lot of their work is the promotion and working toward new markets globally, which are going to be very necessary. The industries that the hon. member opposite spoke about: about 50 per cent of our market needs to be global, outside of our boundaries, and about 50 per cent domestic. But we did experience an economic correction globally that has been very difficult on all industries.

The Speaker: The hon. member.

Ms Pastoor: Thank you. You've partly answered my next question, but I would like a little bit more. This government keeps throwing money at the industry, but the real problems are structural. Besides writing cheques, what plans does the minister have to meet the ongoing challenges that are facing the Alberta livestock industries?

Mr. Hayden: Mr. Speaker, I couldn't disagree more. I would not characterize the support to the agriculture industry, that is our largest renewable resource industry and our second largest industry in the province, as throwing money at an industry. I would say that that's investing in Alberta's future.

Ms Pastoor: Clever semantics.

When the government made check-offs voluntary, they were acting in the interest of the big beef producers at the expense of small family ranchers. How is this ministry helping our regular Alberta beef and hog producers as they attempt to compete in an industry that appears to have turned into a near monopoly?

Mr. Hayden: Mr. Speaker, all parts of the value chain are important. As I've stated to a number of the groups that I've spoken with and where I've spoken publicly since being appointed minister for this ministry, the primary producers are of utmost importance. Without the primary producers the rest of the value chain collapses. All portions of that value chain need to be profitable and healthy, and we're working towards that.

The Speaker: The hon. Member for Calgary-Fish Creek, followed by the hon. Member for Cardston-Taber-Warner.

Government Spending

Mrs. Forsyth: Thank you, Mr. Speaker. In the 1990s the people of Alberta made great sacrifices to help the government get its spending under control, as did many members of this government. Last week the finance minister said that he wanted a bill that would legislate savings. The government was quick to toss aside balanced budget legislation when times got tough, and now they want to bring forward a bill that legislates savings. My question is to the President of the Treasury Board. Why would Albertans expect the government to treat the proposed savings legislation any differently than the balanced budget legislation when times get tough again?

Mr. Snelgrove: You know, Mr. Speaker, this finance minister and the previous finance minister both understand finances well enough to know that in the middle of the recession the most important thing we can do is get Albertans working and make sure that our financial house is in order. When things turn around – and they will – we will have a broad discussion with Albertans about how they want to see their future dollars, their savings, their investments in the future, their returns to Albertans being allocated. That's exactly what the finance minister is committed to doing.

Mrs. Forsyth: Mr. Speaker, Albertans have every right to question this government's commitment to truly fiscally conservative principles. At times their words are good, but their actions leave a lot of Albertans with heartaches. If this government had kept its spending under control in the really good years, this government wouldn't have needed to get rid of the Deficit Elimination Act or drain the sustainability fund. My question is to the same minister: how soon can Albertans expect that the sustainability fund will be restored to the same level it was at before this government decided to use it to re-create fiscal restraint?

Mr. Snelgrove: Some days it's spending, some days it's saving, some days it's, "Let's go back to the '90s," and some days it's, "Let's go back to the '50s." The reason people are coming to Alberta is because we got it right. We didn't get it perfect, but we got it right. We're creating an environment where people are allowed to create wealth, to raise their families, to build small business into big business, to make responsible use of our resources and our people. We have a province that the rest of the world is trying to come to. All of the preview of what they're going to offer Alberta is not what they want.

Mrs. Forsyth: Mr. Speaker, what we're offering is what Albertans want.

Mr. Speaker, it is important for Alberta to remain a successful, attractive place to do business. Albertans are hard-working, honest entrepreneurs. The government is planning on burning through more than 80 per cent of our province's rainy-day fund by 2012. Can the minister assure Albertans that a fixed percentage of nonrenewable resource revenues are saved each year for our children and our grandchildren?

Mr. Snelgrove: Mr. Speaker, let's be perfectly clear. We have two funds. We have a heritage savings trust fund that is there, untouched, for future generations and will continue to grow, and we have a savings account that we prudently put aside on the eventuality that this might happen, that we might enter into a recession. Wisely led by this Premier, we said: we'd better set some money over here for a rainy day. Well, I've got bad news for the member over there. For a lot of Albertans it's been raining pretty hard lately, and they want to see us get through it. They haven't bothered to say: "What school are we going to close? What hospital are we going to close?" We're going to bridge this economy to the next go-forward.

The Speaker: The hon. Member for Cardston-Taber-Warner, followed by the hon. Member for Calgary-McCall.

2:20

Funding for School Boards

Mr. Jacobs: Thank you, Mr. Speaker. Our rural school board in my constituency is facing an \$850,000 shortfall in the 2010-11 school year despite the announcements by the Minister of Education that school boards will receive a zero per cent increase. I don't know if zero per cent is an entirely correct figure as I have heard that school boards will in fact receive an overall budget decrease of over 4.17 per cent, 1.17 per cent in 2009-10 and approximately 3 per cent in 2010-11, due to the lack of funding for this government's negotiated settlement with the ATA. My question to the Minister of Education: when will the government provide the funding for the agreement that they negotiated?

Mr. Hancock: Well, Mr. Speaker, first of all, in this budget this year – and we'll go into it more during estimates – we have provided the same amount for school boards as last year, no increase in budgets overall, although there will be some adjustments between school boards based on the number of students they have, based on increased enrolment, based on changes in transportation, and based on changes in the class size funding.

With respect to salaries the member is absolutely correct. There are agreements in place with the ATA locals which provide for an adjustment based on average weekly earnings, and we've had an arbitrated process.

The Speaker: The hon. member.

Mr. Jacobs: Thank you. Again to the Minister of Education. Because of the budget shortfall boards will have to make significant cuts to staffing in the upcoming year and will face public outcry as the current information does not indicate the deficit created by the government's lack of commitment to the agreement with the ATA. Question: why did the government fail to budget for teachers' salary increases at the more prudent figure of 5.9 per cent?

Mr. Hancock: Well, Mr. Speaker, the average weekly earnings index at the end of 2008 was 4.82 per cent. At the end of March

Stats Canada changed the way they calculated the index, and that change resulted in the 5.99 figure. That was not something we could budget for because the budget was already prepared. However, there was also a dispute with respect to interpretation as to whether the index should be what they had previously calculated or what they changed it to. We went through an arbitrated process. We didn't win that, unfortunately, so now we have an index that's certain, but we haven't budgeted the money for it.

The Speaker: The hon. member.

Mr. Jacobs: Thank you, Mr. Speaker. Again to the same minister. In addition to the shortfall due to the government's salary settlement with the ATA, boards will also face increased costs for support staff, benefits, grid movement, and increases due to inflation. Without additional funding in the current budget school boards will be forced to either make significant program and staff cuts or submit deficit budgets. Question to the minister: does the minister envision school boards submitting deficit budgets to maintain the current educational programs being offered to students in Alberta?

Mr. Hancock: Well, the good news, Mr. Speaker, is that school boards across this province are in great financial shape. There are close to \$360 million in operating reserves. Yes, those monies have been saved for specific purposes, but they're in good shape to manage through this year. I've asked school boards to bear with us. We now have the arbitration in place, so we know the index that we're dealing with. I will have to work with the ATA and the Alberta School Boards Association school boards with respect to the salary issue over a longer term process so that we can make them whole over a longer term if we can't in the short term. In the meantime they have the resources in their operating reserves.

The Speaker: The hon. Member for Calgary-McCall, followed by the hon. Member for Strathcona.

Signage on Highway Rights-of-way

Mr. Kang: Thank you, Mr. Speaker. Yesterday the minister said that only one antinuclear sign in Peace River was inappropriately taken down, but according to other accounts many signs were on private property and were specifically targeted while real estate signs were left alone. To the Minister of Transportation: would the minister explain this, please?

Mr. Ouellette: Mr. Speaker, all I can explain is that I think we have a good policy to keep people safe in Alberta. I know that our policy states that if signs are improperly placed in road allowances, our maintenance contractors are forced to take them down. As far as actually knowing exactly what that maintenance contractor did, I'm trying to find all that information out. I can tell you that there was one sign that definitely was taken down that was on private property, and we built that private property owner a new sign.

The Speaker: The hon. member.

Mr. Kang: Thank you, Mr. Speaker. I don't think those signs were emitting any radiation so that they were not safe for the public. To the minister again: will the minister clear up the confusion and table the instructions Alberta Transportation gave to the contractor about removing antinuclear signs?

Mr. Ouellette: Mr. Speaker, I'm under the impression here that everything that I've questioned on this – what was given as a direction from our department was to make sure that people are compliant and follow the rules. The rules are there to keep all of our travelling public safe.

The Speaker: The hon. member.

Mr. Kang: Thank you, Mr. Speaker. Why are those rules only for antinuclear signs? To the minister again. If taking down private signs is a matter of safety, then signs across the province should be taken down. Could the minister please tell us how many signs on private property are pulled down annually throughout the province?

Mr. Ouellette: Mr. Speaker, on private property probably or hopefully very, very few. There should be none. We do send out letters to everybody that's within our 300-metre zone, even though it's private, and say: "You're not compliant with the law. Please remove the signs." We don't go in and remove them ourselves.

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

Sour Gas Well Emission Monitoring

Mr. Quest: Thank you, Mr. Speaker. The quality of the air we breathe is an issue of concern to my constituents and to all Albertans and, as you might expect, to residents of the oil sands area in particular. My question is for the Minister of Environment. The level of hydrogen sulphide, or sour gas, in the Fort McMurray area is concerning. Hydrogen sulphide standards were exceeded more than 1,500 times in 2009. Residents deserve an answer. What are you going to do to protect the health of the residents in the oil sands area?

The Speaker: The hon. minister.

Mr. Renner: Thank you, Mr. Speaker. First of all, let me assure this member and all of the residents of the Fort McMurray area that these exceedances do not pose a health risk. Nevertheless, they certainly are a legitimate concern because of the odour associated with them. On that count we are taking this issue very, very seriously, and we expect the operators in that area to take it as seriously.

The Speaker: The hon. member.

Mr. Quest: Thank you, Mr. Speaker. My first supplemental to the same minister. While the majority of exceedances may have been on plant sites, the fact is that the standard was exceeded more than 1,500 times last year. That's completely unacceptable. Residents need more than hot air. If industry is working to eliminate these releases, then why do they continue?

Mr. Renner: Well, Mr. Speaker, the member is absolutely right: the vast majority of these exceedances are measured on the plant site itself. As I said, there is every expectation that this problem will be addressed in a very serious way, but it's not as simple as simply turning off the valve. In this particular case, as far as we've been able to determine, the majority of these exceedances are caused by unexpected releases from Suncor's tailings ponds. There is an order in place, and Suncor is expected to deal with it.

The Speaker: The hon. member.

Mr. Quest: Thank you, Mr. Speaker. Second supplemental to the same minister. You say that you're committed to addressing the issue of exceedances in the oil sands region. I question how that's possible if, as some have stated, there's been reduced monitoring because of budget cuts in your department. How does the minister reconcile the difference between what he's saying and what these numbers are saying?

Mr. Renner: Well, Mr. Speaker, there is in place as we speak an environmental protection order that requires the operator, the approval holder, to take appropriate action and the necessary action to resolve the problem. The next step could well be legal action.

As to the issue of monitoring, I can assure the member that there is no reduction, none whatsoever, in monitoring at developed areas and industrial sites. If there are to be changes in monitoring, they will be in very remote areas where we have had a long-standing record of little or no change.

The Speaker: The hon. Member for Calgary-Varsity, followed by the hon. Member for Livingstone-Macleod.

Research and Technology Commercialization Funding

Mr. Chase: Thank you, Mr. Speaker. If the government succeeds in creating a functional competitiveness board, the first priority the board should review is the government's own postsecondary education policy, which is rapidly making Alberta less competitive. My questions are to the minister of advanced education. How can the minister trumpet Alberta innovation while cutting funding for research and technology commercialization by \$35 million?

2:30

The Speaker: The hon. Deputy Premier.

Mr. Horner: Well, thank you, Mr. Speaker. I really do look forward to the discussion around our estimates because the hon. member may have missed a couple of things. When we consolidated a number of entities in Alberta Innovates, we did have some changes to our budget, but I can assure the hon. member that the Premier's vision of the next generation economy is clearly on track based on what we've done with Alberta Innovates and Campus Alberta. And I would correct the hon. member: the international community is looking at Campus Alberta as the system to look at and perhaps follow in the future.

Mr. Chase: They're going to have to look really hard to find it.

By freezing base operating grants, the minister has put faculty layoffs and unpaid furlough days on the table as universities struggle to balance their budgets. Is this what, in quotes, world-class universities look like to this government?

Mr. Horner: Well, Mr. Speaker, the hon. member is obviously aware that Campus Alberta is all of the postsecondary institutions across the province, and if he hasn't figured that out yet, as my critic I would encourage him to go to the website and read what we've done over the last two years. I'm sure he would find that very enlightening.

Secondly, Mr. Speaker, other jurisdictions in North America that one would consider world class, like Harvard or MIT or Berkeley, have had 20 to 30 per cent cuts to their base operating grants. Indeed, we'll get into the budget debate, but the base operating grants of every institution in this province were protected.

The Speaker: The hon. member.

Mr. Chase: Thank you. Rather than finding it enlightening, I'm finding that a number of university students are finding their wallets considerably lighter based on your policies.

Given that we already have the lowest postsecondary enrolment in the country, how is Alberta supposed to compete with our provincial counterparts for talent when this minister is considering tuition increases as large as 70 per cent?

Mr. Horner: Well, Mr. Speaker, here we go with the nabobs of negativity and the purveyors of pessimism. Obviously, the hon. member has been reading a lot of newspapers. He's been reading a lot of blogs. He's been reading a lot of other things. Unfortunately, he hasn't been reading the truth.

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

Country of Origin Labelling

Mr. Berger: Thank you, Mr. Speaker. Many of my constituents are livestock producers, and I continue to hear how they're affected by the U.S. mandatory country of origin labelling and the negative impact it has had on the beef and pork producers on this side of the border. I've also heard that we have talk of a Canadian trade challenge on this rule. My question is for the minister of agriculture. Can he update this House on that challenge and just what the status is?

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

Mr. Hayden: Well, thank you, Mr. Speaker. We, of course, as a government share the concerns with the producers on the country of origin labelling. There is a challenge in place by our national government with the World Trade Organization, and a panel is being put together now. Of course, we support our federal counterpart's efforts towards resolving this issue.

Mr. Berger: Again to the same minister: while I would expect and I hope that that challenge would conclude that the MCOOL ruling is indeed a violation of trade agreements, what if the ruling does not go in our favour? What action can we take, and can we have a made-in-Alberta solution to this?

The Speaker: The hon. minister.

Mr. Hayden: Well, thank you, Mr. Speaker. In fact, after the first round, if we're not successful with the ruling in the first round, there is an appeal mechanism that's available to us. But I think it's worth noting that the same challenge is being made by Mexico, so we have a challenge by both of the partners in the North American free trade agreement on this particular violation. We're hopeful that that will settle the question.

Mr. Berger: A final question to the same minister: what else can we do? What other initiatives do we have in the pipe so that we may be able to help our producers on this side of the border succeed in this trade climate?

Mr. Hayden: Mr. Speaker, I think that the actions that the United States is taking with this country of origin labelling may have

brought about some patriotism and buying changes in the market. If we're not successful through this, I suggest that we need to look at it, too, because I know that Canadians would like to know where their food is coming from and know that there's an opportunity for them to buy Canadian beef. Some already do that. It's voluntary at this point, but that may be the answer.

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

Support for Family Farms

Ms Notley: Thank you, Mr. Speaker. This government has decided that small agriculture producers should get out of the business. They gave the lion's share of BSE support to packers and feedlots, ALMA is dominated by big business, and last year they limited the participation of small producers in their own associations in favour of massive agricultural corps. Now, this government has been successful at pushing farmers off the land because as of January 1, 2010, this year, we've lost nearly 5,000 family farms in the last nine years alone. Will the minister tell . . .

The Speaker: The hon. minister. [interjection] The hon. minister has been recognized.

Mr. Hayden: Thank you, Mr. Speaker. It would really be a lot easier to work with the members opposite if they actually asked the question instead of just making a statement that I don't know is necessarily very accurate.

Ms Notley: Well, Mr. Speaker, StatsCan tells us that 5,000 family farms have been lost, so why aren't you doing something to actually fix the problem instead of announcing a \$25,000 cheque to the whole darn industry? The whole industry. Why can't you do something real to help family farmers?

The Speaker: The hon. minister.

Mr. Hayden: Thank you, Mr. Speaker. I expect that the hon. member opposite is making reference to the announcement that went out today on the inspection costs for agricultural producers, livestock producers in the province that through the drought and through other conditions move their livestock to Saskatchewan or British Columbia during the summer months to pasture them. We have now taken the inspection costs and taken that upon ourselves as a province. That is a small part of the over a billion dollars that we invest in the industry.

Ms Notley: Well, Mr. Speaker, I don't think that \$25,000 to a whole industry that's lost 5,000 farms is worth a press release.

Producers are struggling to keep their farms and ranches out of hock. The former agriculture minister told this House that if small farmers can't make a go of it, they should just get out of the business. Does this minister share the attitude that family farms have no place in the current market?

Mr. Hayden: Mr. Speaker, this year my family farm celebrates its 100th birthday. I firmly believe that family farms have a place in this market. Last year I presented 22 Century farm plaques in my constituency, about the same again this year. I very much support that. This government is very much behind that industry. I learned a long time ago from a constituent of mine that when you talk about money in the thousands of dollars and people make the statement, "That doesn't count," they say, "Send me that cheque."

The Speaker: With all this love in the air, will the hon. Minister of Agriculture and Rural Development kindly invite the hon. Member for Edmonton-Strathcona to your 100th family farm celebration this year?

Health Care Funding

Mr. Anderson: Mr. Speaker, last week the minister of health claimed that Alberta's new superboard has saved us between \$600 million and \$700 million. This statement appears entirely out of step with reality. Budget 2010 increases operational health spending by a stunning 13.7 per cent, or \$1.7 billion, with continued massive increases planned going forward. I would really like to see my parents as well as my four boys inherit a health system that they can actually pay for and is there when they need it. To the minister: given the massive increase, how can he claim that the superboard is lowering health care costs?

Mr. Zwozdesky: Mr. Speaker, it's a fact that Alberta Health Services has found some efficiencies, and there are three primary areas, which I've explained before, but let me explain them quickly again because everybody has an appetite for this information, I know. Number one, they're moving toward this centralized payroll system; number two, they've already moved toward a common procurement system; and number three, they've stopped what's called doctor poaching or doctor bidding between one area of the province and another. There are other efficiencies such as that, hon. member, which they have found within their budget. That's their figure, between \$600 million and \$700 million. That money is being channelled . . .

The Speaker: The hon. member.

Mr. Anderson: A \$1.7 billion increase does not sound like we are moving toward sustainability, Mr. Speaker. Many Albertans, especially health care professionals who have heard the health minister's promise to tackle surgery wait times by simply paying nurses and docs to do more, are scratching their heads. We have long been told that there is an acute shortage of doctors and nurses and that most are working incredibly long hours. To the minister: is there so much excess capacity in the system that by simply spending \$70 million per year extra we could solve this problem forever, and if so, why didn't we do this sooner?

2:40

Mr. Zwozdesky: Mr. Speaker, I believe I answered that question before, but just in case it didn't communicate well, let me say it again. We have a budget right now that we're working on for the five-year plan, that starts April 1, and there will be additional surgeries added at that time. In the meanwhile we have some flexibility in the current budget because we have paid off or are covering the entire \$1.3 billion deficit that the current provincial board inherited from the previous regional boards.* So that's a salient factor. Number two, we're adjusting their base because we now have a better picture of what it costs to deliver health services province-wide. Number three, we're adding 6 per cent on top of that, and it's the 6 per cent increase we should be focusing on.

Mr. Anderson: I appreciate that. If you do the math, though, Mr. Speaker, it works out to be about \$1.3 million per week in additional spending. If it was that simple to solve the problem – that's roughly \$70 million a year – I still don't understand why we wouldn't have done this last year or the year before.

*See page 188, left column, paragraph 5

Mr. Zwozdesky: Well, there is a person sitting on his left that could help answer that question because she helped us at that time, and it was the right move at that time to move to regional health authorities. It's the right thing to do now to move to the provincial board. The fact is, Mr. Speaker, that this new provincial board has inherited this accumulated deficit over the last few years, and now we have to cover it because we know what the actual costs are more accurately than ever before. We have consistent data gathering, we have consistent statistical information gathering, and we're sharing that with Albertans as fast as we can.

The Speaker: Hon. members, we were able to recognize 18 members today: 12 opposition members, six private government members. There were a total of 108 questions and answers, which is the highest number you'll find in any parliament anywhere in Canada.

In 30 seconds from now we'll continue with the Routine.

Presenting Petitions

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

Mr. Chase: Thank you, Mr. Speaker. Having sought the proper approval of Parliamentary Counsel, I am retabling this petition, which states:

We the undersigned residents of Alberta, petition the Legislative Assembly to urge the Government of Alberta to consider providing increased funding to Midway School to ensure that various programs continue to be available to its students, teachers, trustees and parents.

It comes from parents of Didsbury, Carstairs, and Crossfield.

Thank you, Mr. Speaker.

Introduction of Bills

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

Bill 201 Workers' Compensation (Firefighters) Amendment Act, 2010

Mr. Rogers: Thank you, Mr. Speaker. I would like to beg leave to introduce a bill being the Workers' Compensation (Firefighters) Amendment Act, 2010, being Bill 201.

Mr. Speaker, Bill 201 seeks to include primary site esophageal cancer and primary site testicular cancer in the presumptive list of cancers that firefighters make claim for under workers' compensation. Bill 201 would help Alberta keep in line with other provinces who have recently added these cancers to their list of presumptive cancers for firefighters.

Thank you.

[Motion carried; Bill 201 read a first time]

The Speaker: The hon. Member for Calgary-Fish Creek.

Bill 202 Mandatory Reporting of Child Pornography Act

Mrs. Forsyth: Thank you, Mr. Speaker. I'm pleased to introduce Bill 202, the Mandatory Reporting of Child Pornography Act.

The goal of Bill 202 is to mandate the reporting of child pornography. It does not intend to mandate seeking out child pornography. Rather, it would require that if an individual believed the particular material is or may be child pornography, it's mandatory to report the

incident to the police or any other reporting entity. This bill will also protect the informant and ensure that no repercussions for reporting are experienced. Further, Bill 202 will establish the actions that a reporting entity must take following a report.

[Motion carried; Bill 202 read a first time]

Tabling Returns and Reports

Mr. Snelgrove: Mr. Speaker, on February 16 I tabled the 2009-2010 supplementary supply estimates. I am now tabling a replacement for page 12. This page shows the reason for the Department of Advanced Education and Technology's request for a supplementary amount. Unfortunately, due to a word processing error the header of the second section was presented as Capital Investment rather than Nonbudgetary Disbursements. This tabling does not affect the supplementary appropriations being considered by the House.

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

Ms. Notley: Thank you, Mr. Speaker. I'd like to table the appropriate number of copies of three letters to the minister of health concerning the centralization of gynecological cytology lab services. The Member for Edmonton-Highlands-Norwood referred to these letters in his questions earlier today. Each letter is signed by a group of pathologists, and each letter asks the minister to reverse the decision made last year to close various labs across the province because the move would not save money and would not improve patient care.

Thank you.

The Speaker: Hon. members, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

Introduction of Guests (continued)

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

Mr. Rogers: Thank you, Mr. Speaker. It is my pleasure to introduce to you and through you to the members of the Assembly two individuals that are here today. Actually, I was expecting three, but I only see two. They are Brad Hoekstra, secretary of the Alberta Firefighters Association, and Greg is not here, but we have Paul McGonigal. Paul is the first vice-president of the Edmonton Fire Fighters' Union. They're here today to witness the introduction of Bill 201. I'd ask them to rise and receive the warm traditional welcome of this Assembly.

Orders of the Day

Committee of Supply

[Mr. Mitzel in the chair]

The Deputy Chair: I'd like to call the committee to order and recognize the President of the Treasury Board.

Supplementary Supply Estimates 2009-10 General Revenue Fund

Mr. Snelgrove: Thank you, Mr. Chairman. I would like to move the 2009-10 supplementary supply estimates for the general revenue

fund. The estimates will provide additional spending authority to nine government departments. When passed, the estimates will authorize increases of about \$920.5 million in voted expense and in equipment/inventory purchases, \$4.7 million in voted capital investment, and \$32.9 million in voted nonbudgetary disbursements. These estimates are consistent with the third-quarter fiscal updates, which updated the 2009-10 fiscal plan for all government entities.

The estimates will authorize increases for the departments of Advanced Education and Technology; Employment and Immigration; Health and Wellness; Housing and Urban Affairs; Municipal Affairs; Sustainable Resource Development; Tourism, Parks and Recreation; Transportation; and Culture and Community Spirit. The ministers that are responsible for these departments will be happy to answer any questions from any members of the House.

Thank you, Mr. Chairman.

The Deputy Chair: Thank you.

Before we begin, as we start with the questions, do we want to combine the times, and we'll move back and forth with the questions and answers?

2:50

Mr. Snelgrove: Mr. Chairman, we are at the pleasure of the opposition members as to how they would like to deal with the questions.

Health and Wellness

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

Mr. MacDonald: Yes. Thank you very much, Mr. Chairman. If it's of the interest of the President of the Treasury Board, certainly we could do that. We could have specific questions, and then, hopefully, we can get an answer.

Now, my first question would be that earlier, in question period, we heard the minister of health suggest or imply that there would be a cost-benefit analysis now done on some of the expenditures that are hopefully going to reduce waiting times in operating rooms and waiting times in our hospitals. I'm quite surprised that there was never a cost-benefit analysis done. There was a clear admission of this in Public Accounts by the former deputy minister of health, that before the nine regional health authorities were fired and the one superboard was created, there was no cost-benefit analysis done at that time. I'm glad to hear we are starting to do some now.

We all know the results of the disaster which is Alberta Health Services. We can't say that it was an inherited debt that they had from the RHAs. Some RHAs, it's true, did have debts but not anywhere even close to the \$1.3 billion that was racked up in record time by Alberta Health Services.

My question would be to the President of the Treasury Board. Before this money was allocated – and I believe the sum is \$243 million – was there a cost-benefit analysis done before this expenditure was ratified by the Treasury Board?

Thank you.

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

Mr. Zwozdesky: Thank you, Mr. Chairman, and thank you, hon. member, for the question. I think you have to bear in mind that costings are always done just on a routine basis with regard to any expenditures made in the government of Alberta, but cost-benefit analyses are slightly different. In fact, I would argue that they are vastly different because they are much more detailed. You are not

just looking at the costs in terms of the numbers, but you are looking specifically at what benefits come from those costs.

For example, if you wanted to talk about some of the issues that came up today in question period with respect to, let's say, cataract surgeries, I've asked for not only a costing but for a cost-benefit analysis because I'm of the opinion that it costs on average the same or less to do a cataract surgery in a public institution compared with doing the same surgery in a private institution, albeit that we cover it fully as a government no matter what as long as it falls into the category of being medically necessary and it's medically covered and so on and so on. That's one distinction that I would like to make.

In the end, Mr. Chairman, I'm not only asking today through the Treasury Board motion that we approve \$243.2 million in supplementary estimates that will go toward the two priorities identified, which are accumulated deficit of the former health authorities, many of whom were running deficits and many of whom were not running deficits – they were doing the best job they could under the circumstances – and, secondly, to cover H1N1 response costs.

I want to add to that that we are going to talk about not only that particular supplementary funding, but we are also going to look, hon. member, at other savings that have been attracted in our ministry, such as lower demands in areas such as prescription drug benefits and physician services and some savings brought about by reprofiling and reduced cash flow requirements for certain capital projects. So what we're going to have altogether is some savings on the one hand coupled with the supplementary estimates on the other hand to deal with the pandemic costs alluded to and also the accumulated deficit costs and so on.

I should just close by saying, Mr. Chairman, that the H1N1 costs were declared by the Lieutenant Governor through an order in council as extraordinary expenses this year because, in fact, they did meet the criteria of being deemed a public emergency. I would hope to have the hon. member's support in that respect.

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

Mr. MacDonald: Thank you. Again along that line of questioning. I appreciate the answer from the minister of health, but at the same time I would like to point out to the hon. minister the report of the Auditor General of Alberta from last fall, October 2009. The Auditor points out that the 2008-09 RHAs' budgeted operating deficit was \$392 million. Business plans of those RHAs – and we've got to remember that everything was organized through East Central health authority – were not approved by the Alberta Health Services Board or the minister at the time.

Again, in regard to your previous statement, how can taxpayers have confidence that this money is going to be wisely spent? It's not simply walking up to a bank machine and withdrawing the cash and ensuring that it is spent prudently. What exactly is in place that's different than what was pointed out in the Auditor General's report that will give taxpayers confidence that this money is going to be spent wisely?

Mr. Zwozdesky: Thank you, hon. member, for the question. We're perhaps not quite finished spending them yet in a couple of small areas, but the monies were spent, as I said, with respect to the H1N1 response costs. That total, hon. member, was \$148.9 million. Albertans should take comfort in knowing that \$22.1 million of that amount was for doctors' services, \$116.4 million was for Alberta Health Services, and \$10.4 million was to purchase the actual vaccine. Now, the H1N1 costs include such items as drugs, supplies,

staffing, emergency medical services flu response units, immunization clinics, assessment centres, emergency room visits, and so on. So that is one part of it.

The second part is the accumulated deficit, which is, in total, \$343 million for the period that we're talking about here. That deficit was accumulated partly because we had a system in place that was regionalized. We had regional health boards, in this particular case nine regional health boards. Some of them operated differently than did others. Some of them were facing different circumstances than others. In any case, they were all doing their own thing and, I should say, for the most part doing it very, very well. I was quite proud of what regional health authorities were doing, and I think they deserve some kudos for having managed through some difficult issues and some difficult times as well.

In the end, moving to one provincial health board has streamlined a lot of those organizations, and it simply would be unfair to move to a new provincial board and saddle them with a \$1.3 billion deficit at the get-go. They're just coming up to their first-year anniversary with their new CEO in April. They deserve a fresh start, and I think Albertans appreciate that.

I hope that clarifies some of the member's concerns for the time being.

Mr. Snelgrove: I appreciate the question: how do we know we're getting better? I think one of the things that the minister has talked about earlier today – and we've made a great effort – is doing it better. In fact, by finding within Alberta Health Services between \$600 million and \$700 million worth of a better way to spend your money in health care, the government's approach hasn't been to try to withdraw money from the system. It's to make sure that we're getting better use of it. So they have in the last year, to your point and to the Auditor's point, looked within their responsibilities and through procurement, payroll, the other things the minister talked about have been able to identify over \$600 million of spending that is getting better results for them. I appreciate your question. It doesn't show out as a saving from health care because we believe they should be able to find it and reinvest it into health care.

Mr. MacDonald: Thank you.

The Deputy Chair: The hon. minister to supplement.

3:00

Mr. Zwozdesky: I'm sorry. I forgot one important point that you asked about. That was the Auditor General. My apologies. I want to tell you, hon. member, that I did meet with the Auditor General, and just apropos to both points – and I'll get to the second one in a moment – he indicated to me that when he was auditing and reviewing the difference between having one provincial board for health as opposed to nine provincial boards, basically, we saw so much differentiation among the nine regions that it was sometimes difficult to track the information and to record it in the kind of order that you would need to make the best decisions at the provincial level.

To put that in some more graphic terms, if we take the Alberta wait-list registry as an example – and I'll be as brief as I can, Mr. Chair – we had all of these regional boards collecting information and inputting it to the provincial level, but everybody was collecting it slightly differently, and they were using slightly different terminology. We started to straighten that all out, and now we're hoping to get that Alberta registry back up and running because we've got what I've referred to before as more consistent data gathering, more

consistent information reporting, and a better system overall of applying that information now. So when the Alberta wait-list registry gets back up and running, people will be able to go to their computer, punch up hip replacement or knee replacement, and they'll know what the wait time or the wait-list is in Camrose or Ponoka or Wetaskiwin or Pincher Creek or Edmonton or Calgary or wherever that particular surgery is being offered.

That's one of our main goals over the next year, to get all of that information put in place. Now that we have the guaranteed funding plan, now that we have the five-year funding plan, we're able to provide more stability and more predictability for everyone concerned.

The other point, very quickly, that the Auditor General mentioned to me was this. These are his words, and I asked him if I could quote him on this, hon. member, and he said yes. I wrote it down exactly the way he said it. Even the Auditor General said, quote, that the provincial board inherited certain deficits; they did not create them. That's not to say that the regional health authorities weren't doing a good job. The fact is that some of them were running deficits; some were not.

Now that we have a more consistent approach, hon. member, I say to you that the days of deficits are gone. This supplementary estimate today will help us pick up the costs that we're able to in the current year, that extends to March 31, and then we'll deal with the balance of the deficit for health regions in the 2010-11 year.

The Deputy Chair: The hon. Government House Leader to respond.

Mr. Hancock: Thank you, Mr. Chairman. Just a matter of order and just to understand what's happening this afternoon, we had had discussions with the opposition indicating a process. Advanced Education was going to be started with first, followed by Employment and Immigration, then Health and Wellness, as per the estimates, with the only exception that Culture was going to be at the bottom. Now, I have no problem if the opposition wants to deal with Health and Wellness first on the understanding that the Minister of Advanced Education and Technology might not be here if they want to get to him down at the bottom of the list. You know, the House can handle it however they wish, and the opposition can raise questions in whatever order, but I'm going to assume and I think ministers are going to assume that if you've jumped over their department in the order, they are then free to go.

Mr. MacDonald: No. Certainly, I was unaware of that. Mr. Chairman, we were starting with the largest budget, which is the request for Health and Wellness, which is, as we indicated earlier, \$243 million. We were starting at the largest budget, and we were planning to work our way down.

We come in here, hon. member, all the time and wait patiently for our bills to come up for debate. In fact, we waited in here yesterday quite patiently for over an hour. I know we're all busy, but certainly this is a significant amount of money, close to \$1 billion, so hopefully through the course of debate all our questions can be answered.

Thank you.

Mr. Hancock: Mr. Chairman, I have no problem with the hon. member wanting to start with the largest numbers, just that we had communicated with his House leader, and probably he should, too.

Mr. Chase: Just as part of clarification, we also have members involved in the budgetary debates tonight, and it is because of that

involvement in the debates that we have reordered the debate this afternoon in order to accommodate members who will also be on duty tonight.

Advanced Education and Technology

The Deputy Chair: The hon. Minister of Advanced Education and Technology.

Mr. Horner: Well, thank you, Mr. Chairman. Perhaps if I could put some comments on the record as it relates to my budget, and we could get going on Advanced Education and Technology. There are really only two key areas where we are seeking supplementary estimate approval, and I do this for the information of all members of the House. The first is to meet the increasing demand for student financial assistance. The second is, of course, to address changes in our capital budget.

I'm going to start first by addressing the demand for student financial assistance. When it comes to student financial assistance, one of the top priorities is to ensure that we are able to provide adequate financial assistance to all eligible students. In Alberta's current economic climate that has become a greater challenge. More Albertans are choosing to pursue postsecondary education in this environment, and as a result we have seen a 20 per cent increase in the number of student loan applications. To ensure that we're assisting every eligible student, we are increasing our 2009 spending on student loans by \$30 million. As a result, no eligible student was turned away or declined financial assistance for their studies. We do expect demand to remain high, and we have made changes to our student assistance programs as outlined in Budget 2010 so we can continue to meet the needs of those students, Mr. Chairman.

Moving on to our capital budget. The supplementary estimate in this area is \$178.7 million, a large sum. A significant portion of this is a result of a capital funding injection of \$97.7 million from our friends in the federal government. This federal funding, targeted for projects at various institutions under the knowledge infrastructure program, or KIP, as it came to be known, came after our 2009 budget was approved. We're simply seeking legislative authority to transfer the funds into the budget and spend them as needed. The majority of Alberta's approved KIP projects will upgrade building systems such as mechanical, electrical, roofing, and windows that will extend the useful life of the buildings, something that all of our postsecondaries were asking for.

The remaining changes within our capital budget are related cost escalation for the Centennial Centre for Interdisciplinary Science at the University of Alberta, on which I know the hon. members are very keen in terms of their interdisciplinary studies that they have there. The original approved funding was based on 2004 cost estimates and did not take into account the significant increases in construction costs that occurred between 2004 and 2008. To meet increased costs we have worked with the university to find as many cost savings within the project as possible, and we've also directed the university to shift cost savings from other projects to the Centennial Centre for Interdisciplinary Science, significantly reducing the need for additional funding.

This is a critical project for the university that will accommodate an additional 1,500 undergraduate students and 500 graduate students in the science programs. It will be one of the only few of its kind in the world to house interdisciplinary science research teams in one faculty and attract and retain outstanding students as well as world-class teaching and research talent. In short, it meets the objectives of our Alberta access planning framework to ensure that it provides access to meet demand for science and engineering

training. The total cost expected for this project is to be in the range of \$465 million, and it should be completed by 2011.

Mr. Chairman, those are the very brief comments that I wanted to make on the Advanced Education and Technology supplementary estimates. They really are two fairly simple points, and I would ask the House for approval.

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

Mr. Chase: Thank you. I very much appreciate the minister not only being here but staying here for the debate on Advanced Education and Technology. As the minister has noted, almost half of the \$217,176,000 comes from the federal government. He and I have been at numerous presentations at the University of Calgary. I very much thank the minister for contributing to infrastructure for postsecondary institutions. We were together at the sort of checking off of the cogen plant at the University of Calgary. We were there together at the ISEEE, the Institute for Sustainable Energy, Environment and Economy, when that part of the cheque was presented. These cheques are very much appreciated. However, what we are doing with the federal funding and the provincial funding: we are creating shells, but we're not then providing the operational funding to keep those shells operating.

3:10

ISEEE did receive some operational funding, and I am not complaining about seeing the Taylor digital library go up at the U of C and the Centennial Centre for Interdisciplinary Science at the University of Alberta. These are all positive aspects. But if you're going to keep the programs running, the postsecondary institutions have to have predictable, sustainable operational funding. That has been missing both from the provincial government's and the federal government's.

The ministers, federally and provincially, are there for the cheque blow-up opportunities for new buildings, but when it comes to the financing of the operations, there have been not only freezes but effectively cuts to all postsecondary institutions in Alberta. That is affecting the delivery of academic programs to students. It's also affecting the quality of the teaching experience as well as that of the learning experience of students. This is important to note.

Also, again, it's important to note that half of the announcement that the minister made is thanks to federal transfers. While appreciated, the money that is missing – for example, we've heard about \$30 million of debt load that has been granted to students but at the expense of reduced grants and bursaries. Now, the minister – and I'm sure he'll explain it to me again, that he can get more bang for the buck through loans than he can through grants and bursaries. But from a student expense point of view, with a grant and a bursary there is no debt to be repaid, and also it allows the student to get involved into the economy to a much greater extent.

In question period I talked about the possibility of a 70 per cent increase. It's up to the minister as to the extent of the approval of whatever percentage of increase is provided. But we have got desperate institutions, like the University of Alberta with a \$58 million deficit, trying to get it back, and they can't get it through operational funding. They can't get it through infrastructure grants. So the University of Alberta and the University of Calgary are looking at their only other source of funding, and that's basically tuition.

The University of Calgary has proposed an up to 47 per cent increase in tuition costs for professional faculties. At a meeting that I was at with the provost a couple of weeks ago in Calgary, the

education faculty has now joined the medical, the law, the business, and the engineering as the highest debt load potential faculties.

In addition to those potential increases in tuition, of course, at the U of A, because they are in a larger hole than the U of C, they're talking about – I think the highest one was a 67 per cent increase in one of their professional faculties, medicine, I believe. But the point is that – I've said it so many times in this House – education equals economy. Without that support for education students are going to go into greater debt.

Now, when the minister said that no applications – I don't want to put words in his mouth, but I think he said something along the lines that no qualified applications were rejected. But I've had a number of individuals contact my Calgary-Varsity constituency office and say that while they were able to get a loan for their first year of university, when it came to the second year, there was no loan available. For the students who are in Bow Valley College, for example, or SAIT, the Alberta Works program funding has completely dried up, so students looking for funding to help them pursue trades are out of luck.

Now, specific questions that I would like to ask the minister are as follows. How will the ministry distribute the additional funds for capital expansion across the province? This comes from line 4.0.1 of page 13. Will these funds be concentrated in certain institutions? I gather that a large chunk, obviously, due to inflationary costs is going to the University of Alberta, but I'd appreciate clarification on what the other institutions can expect in terms of continuing infrastructure projects.

In terms of the additional funds for capital maintenance and renewal why was the additional \$56 million not anticipated in the 2009-2010 budget? Is there an opportunity with the reduced costs of materials and labour to potentially recoup some of this money with our reduced construction costs?

Are postsecondary institutions experiencing higher deferred maintenance costs than expected? I mean, the University of Alberta is sort of approaching 100 years of operation. The University of Calgary is heading towards 45, so obviously deferred maintenance is going to make the bill even larger if the repairs aren't addressed.

How many learners will be assisted with the additional \$30 million in student loan disbursements noted in line 3.0.6? I know that it's a projected answer, but I'd appreciate any attempt at giving the possibilities or possible scenarios. Even with this extra \$30 million will eligible students be denied student loans? Now, according to the minister, this isn't likely to happen, but as I say, the practical experience of students calling my office indicates that they could not get loans for their second year's studies pursuit. If so, what size of appropriation would be sufficient to address this demand?

I've tried to keep it short. I look forward to the minister, and I thank him for being here to respond.

The Deputy Chair: The hon. minister.

Mr. Horner: Thank you, Mr. Chairman. A lot of stuff in there. I want to start with the last part there. There were no students that I'm aware of this year that were turned away because of the budget that we're talking about here today. In fact, we're not even talking about the budget here today. We're talking about supplementary estimates. The \$30 million, obviously, is to accommodate the increased load of student applications so that we didn't turn away any eligible students.

Certainly, when we talk about the grants and the bursaries in the budget, which I understand is coming next week, we'll be talking about our estimates, and we'll also be talking about student finances

and the investment that students make in their education. We're trying to look at a system where we can keep the student investment in their education at about the 20 to 30 per cent level of the cost of what it is to do their program. I think that's something that Albertans have come to recognize as a representative investment in their future because the taxpayer is paying the other 70 per cent. We do not serve the institutions.

You know, the hon. member is correct. We've been to a number of openings of capital dollars across this province. In fact, I think we've probably got well in excess of \$1.3 billion worth of capital under way in this province in postsecondary today. I doubt that there is a province in Canada that can make that boast, quite frankly, hon. member, and it's good to do that.

3:20

When you talk about operating dollars, which, again, are not related to what we're talking about here today, but the hon. member brought it up, certainly in the budget that we have for '09-10, we had a 6 per cent base operating grant increase to all postsecondaries. We had a fairly substantial increase in our EPE funding to all of the postsecondaries. We had, in fact, a doubling of the maintenance funding to all postsecondaries. It went from \$35 million a year as the line item in my budget, I believe, to something around \$70 million a year. The fact of the matter is, Mr. Chairman, that our postsecondaries have fared probably better than any jurisdiction in North America, dare I say perhaps even around the globe on the basis of a population of 3 and a half million.

It tails quite nicely, Mr. Chairman, into what we've been able to accomplish this year, really, and we launched it on January 4 of this year in Alberta Innovates. What we've done is brought forward all of the different research organizations from across the province, whether that be, you know, the UTIs or the TEC Edmontons or the Alberta Research Councils. In fact, the Alberta Research Council actually raises a lot of money every year on its own by way of a fee for service. We'd like to expand some of that because we have some great infrastructure that we've invested in in this province that companies or postsecondaries or individuals who have a great idea should and could use because that's a taxpayer investment that we want to get a return out of.

We brought all of the Alberta Innovates with all of these research entities together into one group. Call it branding it Alberta Innovates, similarly to how we branded Campus Alberta. We wanted to brand Campus Alberta because when we go internationally, we talk about the University of Alberta, the University of Calgary, the University of Lethbridge. We talk about Lethbridge College, Lakeland College, the 26 different institutions that are the width and breadth of this province. We want to be able to sell the quality of Campus Alberta. We want to be able to sell the fact that you can enter the system anywhere and transfer around in that system. That's APAS, which is another thing I'd love to talk about, Mr. Chairman, the one-window approach.

But back to Alberta Innovates. We brought everything together so that if you have an idea and you were starting at a certain point within that value chain of that idea, what we want to be able to do is bring you forward to the culmination of the value chain of that idea. So if you're starting in your garage and you created the next best mousetrap, and you want to put that into the marketplace, what do you need?

Mr. Snelgrove: Mice.

Mr. Horner: Well, you need mice, yes, but you also need to have a business plan. You need to figure out how you're going to raise

funds. You need to figure out how you're going to build that prototype. You need to figure out how you're going to get that prototype into the marketplace. Alberta Innovates creates a cluster and a process and, really, a concierge service for you that will help you do that. That's tied to the postsecondary system, Mr. Chairman, because postsecondary does a lot of our basic research, but it also does a ton of our applied research. Lakeland College is doing a number of projects on biofuels, on biodiesel.

Mr. Snelgrove: Funny you should bring that up.

Mr. Horner: I just thought it was timely, as is Grande Prairie College, as is a number of our – SAIT and NAIT are well known in the aeronautical system in the hon. member's own riding. We have a number of things going on down around Medicine Hat and the Lethbridge area in terms of research and development in unmanned vehicles which are really progressing quite nicely. Again, Alberta Innovates is going to be a huge contributor to turning those things into marketable products.

When we talk about Alberta Innovates in terms of the budget side of it, which we'll get into, I'm sure, in much more detail next week, when we start talking about how the dollars will flow now versus how the dollars flowed before, it also helps our postsecondaries on the operating side, as the hon. member brought up, operating for new infrastructure because we're able to attract corporations to help us with our infrastructure and to help us with our operating dollars because of Alberta Innovates, because of Campus Alberta, and because of where these companies want to perform their research and create new products and new wealth, Mr. Chairman.

It is really about creating wealth. We want to create a bigger pie. We want to create a bigger pie so that we have the resources to have the world-class operational dollars for our postsecondaries and our researchers. We want to be able to attract new researchers into the system. We want to be able to attract the kinds of companies that are going to build on the strengths that we have in our system. There is a lot of work to a new mousetrap, actually.

Mr. Chairman, the other thing as it relates to grants and bursaries and the investment of the loans. Alberta has probably the best loan remission program in the country. When we're talking about loans and we're talking about adding student debt, a lot of times people kind of ignore the fact that Alberta has a very substantial loan remission program upon completion of graduation for entitled students where the entire Alberta portion of their loan on a four-year program can actually be waived. They need not pay it back to the taxpayers of Alberta. That's a pretty significant investment in the students in this province.

The other thing that's a significant investment in the students in this province is really the student finance program that we have. It is heavily subsidized. It is also one where we bring very low interest rates. We have increased the living allowances every year that I've been the minister. We've increased this in this budget, and we've got some very good news as it relates to the student finance regulations and where we are going with those.

I think, Mr. Chairman, the other ways that we are helping students save some dollars, as I mentioned earlier on in my discussion, is APAS, the Alberta access portal for enrolment in postsecondaries in Alberta. Today a student in Lac La Biche can get onto the enrolment system and apply at any institution in the province and only upload his transcripts once. He only has to enter all of his personal data and all of his application data once, and that is transmitted to all of the institutions that he wishes to apply to. That system, as it grows and as we add more things to it that we want to use to manage the system, is going to provide tremendous management informa-

tion. It's going to provide some tremendous opportunity for us to do better planning in the future because it really is about how we can respond to the student needs and the student demands.

Mr. Chairman, I think I've answered probably every question that could possibly come now.

Mr. Snelgrove: And ones they haven't even thought of yet.

Mr. Horner: And probably some they weren't even thinking about. So with that, I'll take my seat, Mr. Chairman.

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

Ms Notley: Thank you, Mr. Chair. I hope that I'm not repeating some of the questions that were asked. I was a bit distracted at the beginning, so you can nod right away if that's the case.

As a starting point, obviously, with respect to the issue around seeking more money to address the increased demand or the increased cost of student loans, just as sort of a preliminary comment, as you probably know, we have some concerns about the idea of shifting the funding structure where we're asking students to take out more loans and take on greater debt in order to finance their education, notwithstanding, of course, that, you know, we provide a very good education here in Alberta. The question is how much debt we're asking our students to anticipate taking on before they go in through the hallowed doors of that excellent postsecondary education and the degree to which it may result in a certain portion of the population, particularly lower income Albertans, choosing not to seek out the kind of education that would give them that true equality of opportunity that we presumably all seek to provide. I will say that I did find it a teeny bit ironic that, on one hand, this government is opening the doors for students to take on more debt load; on the other hand, we just have the federal government being very concerned about the growing debt load of Canadians and stepping in quite aggressively to address that issue.

Nonetheless, that aside, my concern at this point anyway, obviously, with respect to having more loans in the future, of course, relates to the many loopholes that exist around our tuitions and the fact that they may grow dramatically. But that's not what we're talking about now, so I won't get too much more into it and simply ask – and again, if these questions were asked, I apologize – is the extra money for more loans, or is it for higher loans, or both? Can I get numbers with respect to that in terms of how many more loans or whether there was an increase in the average size of loans that generated the need for this extra request?

The Deputy Chair: The hon. minister.

Mr. Horner: Well, thank you, Mr. Chairman. Good to have a question on topic. The actual number of applications went up because, as the hon. member very well knows, the maximum loan amounts this year were not raised, but we are looking at, if my budget is passed, maximum loan amounts being raised next year. That's a reflection – and I know that the hon. member was lobbied by the students' associations, just as I was and just as all hon. members were, to raise the student loan limits because the cost of living has risen. Remember that for the students this is an investment just as it is for us, and they, in fact, view it that way as well. Also, just as a point of clarification, even though we are looking at a higher level of loans, if students are applying at a lot of postsecondaries and if we actually increase the percentage of participation rates in our postsecondaries, I will probably be back. This is one of those things where, if the students apply for a loan and they are eligible, we want to be able to help them.

3:30

You know, the hon. member talks about low-income Albertans wanting to go to school. That's exactly the kind of situation that these student finance programs are geared towards. If they weren't, they'd go to the bank. They don't need to come to us if they're already wealthy. They'd just go to the bank, or they'd pay it on their own. These types of student financial assistance are for exactly those students who are in need, who want to pursue their dreams, and I view that as an absolute positive.

The other thing I would say is that Alberta, even in the new system that we're talking about, will still be number one in scholarships in the country.

Mr. Chase: You talked about the consolidation of Alberta Innovates, Mr. Minister. If consolidation ended up with greater efficiency, then the superboard would not be \$1.3 billion in the hole. I'm not convinced that this consolidation has made up for the fact that there's \$35 million less in the fund, so it remains a concern.

Another concern related to Alberta Innovates is patenting, ownership. For example, out of the University of Calgary a terrific, innovative surgical invention, the robotic arm, occurred due to on-campus research funded both by the province and the federal government. But it disturbs me that the patent for that robotic arm is being sold. If you could please explain why that intellectual property is not valued at a higher level, that it's being sold as opposed to retaining the rights and further developments of that arm and the technology associated with it.

The Deputy Chair: The hon. minister.

Mr. Horner: Well, thank you, Mr. Chairman. Obviously, Alberta Innovates is not the topic of the discussion this afternoon. We're talking about supplementary estimates. It did key into the comments that I was making because they're kind of all related there, but I'm sure we're going to have a lot of time to discuss Alberta Innovates next week as I do my estimates.

As it relates to intellectual property – again, Mr. Chairman, it's hardly something we'd talk about during supplementary estimates – I would point out that the hon. member might want to talk to the University of Calgary because their intellectual property agreements with the professors are part of their agreements. We are looking at ways that we might be able to change that. I think that's one of the things that we need to actually open up, to make easier access to intellectual property because, again, it's about creating wealth.

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

Ms Notley: Thank you, Mr. Chair. I'll try to be brief in my asking of questions. I have three.

Just to clarify my previous request, you did mention that the number of applications had gone up, and I'm wondering if we could be provided with the actual number, what that increase was.

Then the second question was that while I appreciate that the loan max increases for the year forward, I assume that for the year behind the average amount of loan given is not always the max. So you have an average that's below the max; thus, it's possible for the average to have increased within the max. I was asking whether or not this \$30 million is actually also about an increase in the amount loaned on average last year beyond what was expected.

My third question – and then I won't have to get up again – is just with respect to the construction of the centennial centre. Given that we were looking at lower costs of labour and materials last year – perhaps I missed it, and if I did, you can just refer me to *Hansard* – what is the explanation for the cost being so much higher than what was budgeted at the beginning of last year?

Mr. Horner: Not a problem, hon. member. Certainly, on the number of loan applications we'll have that data once the year is complete because, frankly, we're still processing some applications as we speak. So we'll be able to garner that data. I know that the hon. member has actually quoted data to me from student finance in the past year. Certainly, those numbers are going to be available. Frankly, we're not seeing a huge increase in the average amounts. What we're seeing is a larger number of applicants coming to student finance as opposed to wherever they were going before.

Remember, hon. member, that we probably had the highest percentage of working students, by choice in some cases, than pretty much everywhere else. I think everybody in this House knows that a number of employment positions that are in that kind of part-time category did not materialize over the last couple of years, and students were one of the ones that that hurt, which is one of the reasons, you know, that when we talk about a minimum wage, we wanted to keep the number of jobs the same. That was part and parcel of where we went with that. In terms of the average amount, again, I'm pretty sure that that's part of the statistics that we develop at the end of the year when we're done.

As it relates to CCIS, you're right; a number of projects over at the University of Alberta were coming in lower than what we budgeted. In fact, the dollars that are included in the supplementary estimates are a balance between what we need to make it whole and savings that the university has been able to bring about from other projects that they've been working on. This project was costed out in 2004. So recognizing what happened in '05-06 in terms of cost escalation, when we complete the project, we'll be completing it based on an overall capital plan with the University of Alberta.

I would take this opportunity, actually, Mr. Chairman, to commend the University of Alberta, the University of Calgary, all of the postsecondaries, frankly, on their ability to manage their capital assets and their capital plans. They've done an outstanding job over the past year and a half, two years that we've been working on some of these issues. There's not one capital project on a postsecondary campus in this province that is not proceeding.

The Deputy Chair: Any other members wish to speak? The hon. Member for Calgary-Varsity.

Mr. Chase: Right. I just wanted to clarify the process that the hon. Government House Leader brought up. Here are his exact words, actually, coming from his assistant, George Samoil: here's the revised order for today; the only ministers who are not here today for sups are tourism and culture as they are hosting Alberta Day at the Olympics. Mr. Samoil went on to list in alphabetical order the various portfolios that would be debated for supplementary supply today, but there was no House leaders' agreement on the order in which the topics would be discussed.

I wanted to put that on the record. Thank you, Mr. Chair, for allowing me to do so.

The Deputy Chair: Okay. Thank you.

We'll move on, then.

Employment and Immigration

The Deputy Chair: Are there any other questions with regard to any of the other estimates? The hon. Member for Calgary-Currie.

Mr. Taylor: Thank you. Well, Mr. Chairman, I thank you for the opportunity to rise and take part in the debate on supplementary supply estimates. Perhaps we could subtitle it "What's a billion?"

since we're talking about almost a billion dollars, \$958,125,000, in requested supplementary supply.

I was wondering about some of these numbers in the 2009-2010 supplementary supply estimates for Employment and Immigration. We're looking at a total supplementary amount close to \$177 million. Some of that, about \$4.6 million, is for employment program planning and delivery to support employment and training programs that will help individuals improve their skills in order to obtain and maintain employment; another \$28 million and change is for employment and training programs specifically, programs that'll help individuals improve their skills in order to obtain and maintain employment; \$25.9 million is for health benefits due to higher caseloads and cost per case; \$129.7 million is for income supports due to higher caseloads and cost per case.

I guess what I'm concerned about here – and I certainly wouldn't lay the total amount of blame for this request squarely at the feet of any one minister – is that what this shows is an underestimation of the impact that the recession was going to have on employment in the province of Alberta when the budget for 2009-2010 was prepared.

3:40

I'm not going to lay the blame squarely at the feet of either today's Minister of Employment and Immigration or his predecessor, who was in place a year ago, when the budget was brought down, because this has been a wicked recession, the worst economic downturn since the Dirty Thirties. A lot of people got a lot of things wrong in projecting this. Nevertheless, we're looking at \$177 million that was spent that now we are being requested in this House to approve because income supports, health benefits related to that, and employment and training programs ended up costing a lot more than we thought they were going to.

Interestingly, Mr. Chairman, the numbers for all four of those categories for fiscal 2010-2011 – and I was at a different budget hearing last night, different estimates for a different department, but I would expect and understand that this got fairly full discussion at estimates for the Ministry of Employment and Immigration last night – have been reduced again this year from what was actually spent in 2009-2010, and that's what I'm wondering about. You know, concerns were raised in the estimates debate for the '09-10 budget about the size of the increases to training and income supports programs, concerns that were raised because, well, frankly, we thought maybe they were underestimating a little bit what it would cost.

I guess I'm looking for the minister to admit that the government did not correctly anticipate the demands the recession would place on these programs, not so that we could just say "gotcha" but because that goes to, I think, what's being budgeted this year. I really hope that we're not back here 11, 12 months from now with another sup supply increase for employment training and income supports programs because we underestimated it again. I'm looking for some justification of the numbers going forward, I guess, and some comment on the numbers as they actually turned out to be in '09-10.

Thank you, Mr. Chairman.

Mr. Snelgrove: Mr. Chairman, trust it to the hon. member. I agree; it's not an exact science. But I can tell you that we are using data from StatsCan and other economic indicators that show us that we're looking for an unemployment rate around 6 per cent next year and dropping down to 5.3 per cent the year after that. They're hopeful, but I think they're doable given the indicators we see. We're also intending to save money because of a reduction or, certainly, a pause

in some of the international recruitment that we bring. They're all kind of connected.

I can tell you – and I don't want to put words in his mouth – that I think that when we budget, we need to be flexible. It doesn't serve us well to put all the money in and hope things get better because we've found over time that departments will spend it. You know, if you have the flexibility to move from one department if you see the trending going – if unemployment is climbing, if the demand for advanced ed spaces or other adult training is dropping, you know that you're going to get it somewhere. It's going to come in supports of one kind, either back into some kind of literacy programs, but it's going to get you. There's that segment of the population that follows the economy. I really think this shows the flexibility within government to say: okay; maybe we don't have the particular supports for some kind of upgrading or moving to a higher level, but we do have a lot of people who need supports at this level.

You know, we just have the stream of people that will always follow the economy, and you'll pay through one department or another. I personally think the flexibility to move those supports and come back to the House and say: well, we didn't get it right in our guess last spring, but a lot of things happen in a year, and it was important to address the very specific needs of that group. So I think it works.

Mr. Taylor: If I could just pick up on that and this notion of the group of people who kind of follow the economy. You know, how often do you actually ever get real consensus from a room full of economists? That said, I think there is a degree of consensus among economists that that group of people tends to follow by perhaps as much as two years. In other words, the unemployment rate is going to continue to go up or remain high before it starts to come down for up to two years after the early signs of recovery start to make themselves obvious. I think the President of the Treasury Board would most likely agree that we are seeing some fairly substantial early signs that the worst is over and that we're starting to recover. The question, then, really is: if that group of people according to the economists' quasi-consensus, put in quotation marks, is going to follow the economy with up to a two-year time lag, have you done enough here in terms of anticipating that?

Mr. Snelgrove: You know, if we take the total Canadian unemployment picture, it will lag further behind it. But I think the hon. member and certainly anyone who's watched some of the oil patch workers go back to the Maritimes would agree that you can just about guarantee that some of them aren't coming back to work. Even in Alberta many people will work in the oil patch until either a downturn, old age, a bad back, or something puts them out of it, and they'll go on to where they really intended their life to be. A lot of the people that were making pretty good money in the oil industry have gone back to their provinces. We don't see directly those people on our doorsteps with their hand out for unemployment. They're getting it, but they're getting it through the federal government in the Maritimes, and that might put us in a slightly different position than most economic models around where the workforce would be. So we're probably slightly better off, but somebody is paying for it.

Mr. Taylor: Thank you to the Provincial Treasurer for that. I can certainly understand and accept that we are a unique case in that sort of situation.

In terms of the supplementary requests to employment and training programs, are these increases essentially passed on to clients in the form of training payments?

Mr. Snelgrove: Some are shared costs, and there are many. Some of them are shared programs with the federal government, so the cost of the program wouldn't necessarily reflect all or nothing here. It's the blend of whatever particular training issues: some cost shared with the recipient, some cost shared with the federal government, and some with employers.

Mr. Taylor: Okay. A couple of more questions along the same line. Were any of these increases used to build capacity in these programs in the form of hiring additional staff, et cetera? If that's the case, how will the ministry shrink these programs when demand really does recede? How much of this is kind of like one-off requests, I guess? The point here is that, you know, economic recovery is going to create jobs, but it's not going to replace the same jobs that we've lost over the last two years. The net result of that is that you will have – and we see it already – job vacancies where we don't have people with the appropriate skill sets to fill those vacancies, and we have unemployed workers who have skill sets that aren't in demand any longer. You don't always get that turned around by one six-week or semester-long course in this or that particular program, right?

Some of those workers are going to need multiple years of training to requalify in a postrecession economy. Should the ministry be considering some multiyear increases to upgrading programs and learner funding to address the situation? Lest the minister feel like he should stand up now and accuse me of making this a spending day, we're talking about an investment day.

Mr. Snelgrove: The hon. member is very correct for us to be aware that when we go into initiatives, not just in this department but in any department, where we increase our capacity to deal with the different issue that we're at, and all of a sudden that issue isn't there, it seems far tougher to take the dollars back out or to reallocate to another department. On that heads-up I can commit to the hon. member that we will be watching that for sure, not only in this one but generally across government.

3:50

We've also put together ministerial working groups, where we are able to identify trends and changes – the health workforce development, that's a joint initiative between, obviously, Employment and Immigration, Advanced Education, and Health and Wellness – to make sure that we are identifying the workforce of the future in many ways, whether it's the personal care person or other upgrading within the system. I get his point; it's a good point. We will make sure that if, in fact, the capacity is greater than what a normal population requirement is, we'll be able to either redirect that to be more effective, or we'll take it back from that department and put it where it works.

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

Mr. Chase: Thank you. I didn't quite get the answer, not from the minister not trying but from Advanced Education and Technology. I see under Employment and Immigration this basically \$28 million figure for employment and training programs. Now, I appreciate the hon. President of the Treasury Board talking about cross ministry and putting the money where it's going to do the most good. Will any of this \$28 million go to make up for the Alberta Works program basically being shut down? Will any of this money be transferred to that program?

Mr. Snelgrove: I don't have the answer for the hon. member. I'll take it.

Mr. Chase: Thank you. I appreciate that.

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

Mr. Chase: Thank you very much. I'm just wondering if any of the money that's indicated here will go towards increasing the number of individuals qualifying for the provincial nominee program. I would think that would fit under immigration. We've increased it each year, and if you have any numbers, that would be helpful.

Mr. Snelgrove: Okay.

The Deputy Chair: Any other members wish to speak? We can move on?

Mr. Taylor: Are you specific, Mr. Chairman, to this department?

The Deputy Chair: No. We've got eight different ministries here. You can move on if you wish.

Mr. Taylor: Kind of a free-for-all.

The Deputy Chair: Well, not quite.

Mr. Taylor: Just testing, Mr. Chair. Just testing.

Housing and Urban Affairs

Mr. Taylor: I'd like to speak to Housing and Urban Affairs. We're looking at a supplementary amount of \$73,632,000, which is a net of \$3.4 million from lower than budgeted spending in other programs.

By the way, I'm noticing that in a number of these departmental supplementary supply requests we're running into the situation where you have come to us asking for money but not as much money as you need to cover the additional cost of whatever it is that you're looking to cover, because you have achieved some savings through budgeted monies that were not spent in other areas. I just wanted to note that for the record.

Now, in terms of Housing and Urban Affairs the supplementary amount breaks down into a couple of different areas. One is \$19 million and change provided to the Alberta Social Housing Corporation for on-site costs and temporary access associated with the development of phase 1 of Parsons Creek in Fort McMurray.

You know, I probably know what the answer is here, but I need to ask and get the answer from the minister. The other is \$58,090,000 to support the development of affordable housing and the retrofit and regeneration of the existing social housing portfolio. This funding, it says here, "is offset by a transfer from the federal government." I think the question that I want to ask the minister is: when will the province receive the \$58 million transfer from the federal government? If I'm interpreting this correctly, it sounds as though what the minister is really doing here is asking the Legislature for a \$58 million cash advance, knowing that the federal government or assuming that the federal government is good for the \$58 million. But maybe I'm interpreting this wrong. I don't know.

Does the Housing and Urban Affairs ministry have the \$58 million from Ottawa already? Does that trigger a situation where you're required to match those dollars with \$58 million of your own, which is why you're here asking for the money? What would not have happened that has happened or what won't happen that will happen if we approve this expenditure? Give me some numbers in terms of units of affordable housing or units of social housing that

are getting a little down-at-the-heels that get a retrofit and a renovation, that sort of thing.

The Deputy Chair: The hon. Minister of Housing and Urban Affairs.

Mr. Denis: Thank you very much, Mr. Chair, and I want to thank the hon. member for that question. When my predecessor the Member for Calgary-Cross was in this portfolio, of course, we were in a significant economic downturn at that time. We weren't exactly sure what was going to happen with the federal government. That money, as he mentioned, that \$58.09 million to support the development of affordable housing, was in order for Alberta to get its share of what the federal stimulus package would be. At the time of the budgetary estimates this time last year or around there this was in the hopper, but it was not confirmed. That's why it shows throughout the budgetary cycle as opposed to in the estimates last year. I'm not sure exactly of the date of the disbursement of the funds from the feds, but I can undertake to get that to the member subsequently.

Mr. Taylor: Thank you, Minister, for that. To be clear, though, you have the money from Ottawa?

Mr. Denis: Yes. That's correct.

Mr. Taylor: Okay. And you've spent it already, or you're well on your way to spending – sorry – to investing it, Minister?

Mr. Denis: Well, you know, interestingly enough, Mr. Chair, I see a lot of spending days, a lot of savings days from this member. Now I have an investment day, so I'm very happy with this.

My understanding, Mr. Chair, is that the money is not completely spent. It will be pushed though very shortly. The bulk of it has been spent. Again, I can get you some specific details if you'd like.

Mr. Taylor: Thank you, Minister. I would appreciate some specific details in terms of what we got for the money, in terms of units of new housing, units of existing social housing that have been brought up to code, brought up to a higher standard, whatever you can provide in those areas.

I guess the only other thing that I would like to know as a point of interest is: if all this was in the hopper at budget time last year – and I seem to recall that it was – where was the lag? Was it on our part, or was it on the feds' part?

Mr. Denis: I will write this member, again, as I've promised.

The budgetary process itself. When I said that it was in the hopper, I meant that we knew that it likely was going to be coming, but it wasn't fully finalized exactly what the feds were going to be doing. I hope that answers this member's question.

Mr. Taylor: Thank you, Mr. Chairman.

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

Mr. Chase: Yes. I'm kind of interested in whether any of this supplementary supply is going to affect what used to be referred to as the rental assistance program or the homeless and eviction prevention fund. We know that it started off at about \$10 million and climbed to about \$110 million. We've had people on waiting lists for rent assistance for up to three years. Does any of this money have anything to do with helping out those people who are on the

edge of eviction or those trying to keep people in their homes through rental assistance?

The Deputy Chair: The hon. minister.

Mr. Denis: Thank you. I want to thank the member for that question as well. As the member probably knows, our funding through our programs helps almost three times the amount of people through assistance as it did only a few years ago. My understanding is that this money that has come from the feds involved the construction of new premises, which, of course, contributes to our department's goal of 11,000 new units by 2012.

The Deputy Chair: The hon. member.

Mr. Chase: Thank you. I'd like to just for the record point out that we received the supplementary supply estimates document yesterday, and I want to give credit to our researchers, who have worked extremely diligently over the last 24 hours in putting together and assisting us with creating questions. It's most appreciated, as is this opportunity to discuss the supplementary supply estimates.

4:00

The Deputy Chair: Any other members? The hon. Member for Edmonton-Strathcona.

Ms Notley: Thank you, Mr. Chair. Yes, I have a couple of questions with respect to this. We're looking at a request for approval by this House of an additional \$73.6 million, and it appears to me that we're looking for \$19 million provided to the Alberta Social Housing Corporation for on-site costs and temporary access associated with phase 1 of Parsons Creek in Fort McMurray. Now, my research, which again was very rushed – sorry, not my research; it was again the research of our frantically working very small staff – suggests that this \$19 million was for this parsonscreekvillage.com. They actually advertise their rates, and they identify that a one-bedroom apartment, if you signed a one-year lease, would be \$2,100 per month. If you were not prepared to sign a one-year lease, you'd be paying \$2,200 per month. Yet the average rent, according to the CMHC, in Fort McMurray is \$1,700 a month. I'm wondering why we're looking at spending an extra \$19 million for a project that in my mind is a long ways away from meeting any objective definition of affordable housing.

The Deputy Chair: The hon. minister.

Mr. Denis: Thank you. This member is quite correct. It does take a long time to actually go and construct housing. You can't just go and construct these facilities overnight. It does take a while. But there is a plan that we're working towards, and this is exactly the type of initiative that we need. We expect that by 2012 the current inventory of developed land in that area will be somewhat depleted. And, again, we need to not just plan for what it is today in Fort McMurray. We realize it can be a very volatile situation. We need to plan also for when the next boom actually happens itself. That's what this whole project in Parsons Creek is moving on towards.

Ms Notley: Well, I appreciate that information, but I guess I'm still concerned about how it is that the government is defining affordable housing and how it is that our money is going to a project which charges rents which are well in excess of what anybody could possibly define as affordable housing. If all this time we've been

talking about an inventory where the average rent being charged is \$2,100 per month, then I think we have a little bit of explaining to do to the taxpayers of Alberta about why it is that we are spending so much money for something that's not affordable.

Mr. Snelgrove: Mr. Chairman, sometimes it's got to be taken in context. If you're in Wood Buffalo, in Fort McMurray, and you're trying to rent anything, \$2,100 to someone who is making \$135,000 driving a big truck is pretty affordable. Yet we recognize that the only long-term solution to moving down that rent, especially for our employees of the government that work up there, is to get a stable market where the checks and balances of a regular market will work. The development at Parsons Creek along with the other ones that we're working on with the hon. minister up there are going to be bringing on several thousand lots a year so that we will have the development of many different kinds of housing initiatives up there. But, you know, to single out one in Fort McMurray and say that \$2,100 is not affordable – it's expensive, but it is far better than living in your half-ton or renting a bay in a car wash or six to a garage, where some are. Affordable has to be taken in the context of Fort McMurray.

Ms Notley: I appreciate the context issue. That's, of course, why I quoted what the CMHC says is the average rent in Fort McMurray for a one-bedroom, which is \$1,700 per month. My understanding is that when we're kicking all this money out the door, primarily to the private sector, to develop affordable housing, all this time there has been a consistently applied definition of what affordable is.

I've always taken some issue with how the government defines affordable because I believe they define it too high as it is because I always want to go with the 30 per cent of income deal. I'd always thought that, at the very least, you were looking at a certain percentage below market. I believe 15 per cent below market or something like that was the standard definition of affordable housing. If that's the case – I mean, market would be defined by the CMHC, I would expect; that would be an objective measure – and you've got \$1,750 as market, obviously \$2,100 or \$2,200 a month is not 15 per cent below market. So I guess, flowing from that, I'm a little concerned about this. I'm wondering if I can be informed about how many other projects within the affordable housing line item are actually – well, I guess this would be roughly 25 per cent to 30 per cent above market. Are there others that are also in that price range?

Mr. Snelgrove: The hon. minister may want to talk about other ones, but I think the biggest problem in Fort McMurray is the fact that we don't even know how many people are living in the different apartments. Many of the areas that are zoned single family have huge problems with four trucks parked out in the street, yet if you're asked by anyone, you don't have renters because it's not allowed; you don't have a basement suite with four people in it. So just the uniqueness of Fort McMurray makes it very difficult to understand how hard it is to get ahead of that curve.

I don't disagree with any of your numbers about affordability, but I will say that until you spend some time in Fort McMurray and try and see how two people in that house could need nine vehicles, you know, it becomes a little bit of: what's affordable, and who really knows how much people are paying there? So that's different.

The Deputy Chair: The hon. minister.

Mr. Denis: Thank you. Further to the response to the member from the President of the Treasury Board, we recognize that Fort

McMurray itself is a very unique situation in this province. Calgary and Edmonton are obviously major urban areas, but at the same point in time that's why we've gone into this situation in Parsons Creek. The ultimate goal is that through the development of Parsons Creek we'll have 1,000 new affordable units by its completion date in 2012. I would also submit to this member that it's in the best interests of the individuals being assisted here but also the taxpayers to be constructing this facility now as opposed to some subsequent date when, again, the economy is hot and construction prices are significantly higher.

Ms Notley: Well, again, I appreciate those comments about trying to get ahead of the curve, but I have some really significant concerns about taking money out of a line item when I think there has been a common consensus within this House that that line item is designed to fund affordable housing as per criteria that we all had a common understanding of, and the people of Alberta were told what that criteria was.

Now, if it's the case that you've decided that life is so crazy in Fort McMurray that we have to completely rewrite how we define affordable, if we're going to give to the private-sector companies that we're giving this money to the right or the ability to go 25 to 30 per cent above market, if we're going to ask Albertans to put hundreds of millions of dollars into affordable housing projects, then I think we should be telling them that we have made a very, very profound change in how we define affordable, particularly in the area of Fort McMurray. Of course, we know that this has a tremendous benefit to the employers in that area. I'm a little concerned that we're talking about this, and we haven't heard that the definition of affordable has apparently been quite profoundly changed without our knowing about it.

Mr. Snelgrove: When we went into Parsons Creek, we needed a vehicle to manage the money for the development, so the \$19 million we're talking about is going to the affordable housing corporation of Fort McMurray. It's facilitating the water and sewer and road building into Parsons Creek. This \$19 million you're seeing here is not going directly to affordable housing. It's going to develop part of that entire area of Parsons Creek. It's not to say that the Alberta Social Housing Corporation in Wood Buffalo doesn't have a lot of rental houses. They work on that. That's an ongoing process. They were there. To save us time and money, we partnered with them to develop all this new land. The money that we asked for from Treasury Board and from Transportation to flow through them to do the site servicing is the \$19 million that we're talking about here.

4:10

Mr. Chase: Right. Theoretically, this \$19 million can be leveraged to approximately \$30 million, given the reduction in terms of labour costs and materials, which hopefully applies to Fort McMurray. Now, last year in the recession for the very first time there were actually houses for sale at considerably reduced prices in Fort McMurray, so I'm hoping things are starting to stabilize.

My question, though, is in terms of the money going to the Alberta Social Housing Corporation. Do we have stronger guarantees that this money will go towards, in quotations, affordable housing so that we don't get burnt like we did with the Red Deer experience, where the money was put forward not only for affordable but accessible housing for individuals with a variety of physical disabilities, and then those people were evicted from their so-called accessible, subsidized housing? What new measures are in place to make sure that this money is accounted for and goes to affordable

housing as opposed to somebody snapping up eight of the houses and then putting it at whatever rent they chose to put it at?

The Deputy Chair: The hon. minister.

Mr. Denis: Thank you, and I want to thank the member for that question. It is a good question dealing with accessibility of housing. We recognize that there are a significant amount of people who require social housing or rent support that actually do have these types of disabilities, but at the same time what I would put to this member is that it's not a one-size-fits-all approach. Some people do better with rent support, some people do better with the agreements that we have with the federal government with respect to the subsidies that we give to landlords in lieu of rent, and some people actually do better in social housing. No one approach is best. We do have these types of important controls in place. The Auditor General has reviewed our books the last couple of years. What I can do is get the member some specific information at a subsequent time as to where exactly the units have been located as we partner with the federal government with the stimulus funds.

The Deputy Chair: The hon. member.

Mr. Chase: Thank you very much. The assurance I'm looking for is that this doesn't become a speculative market subsidized by the Alberta government, where someone with deep pockets buys a whole series of these houses at affordable housing prices and then basically turns it into a for-profit as opposed to an affordable housing section.

Mr. Denis: I'm not sure what assurance the member is looking for, but at the same time I put back to this member respectfully that, again, it's not a one-size-fits-all approach. We have some situations where we have partnered with private business. We have some situations where the government does own the facilities. Again, we have a goal of 11,000 units by 2012. That being said, I do agree that that is an issue. We always want to keep tabs on specifically where the money is going and specific controls on a go-forward basis as to who is specifically being helped and how many people are being assisted and that we're doing this in the most efficient manner possible.

Mr. Snelgrove: If I could just supplement, Mr. Chair. You are right. Too many times we've released land up in Wood Buffalo where it was picked up by a scant few, and the prices went through the roof. That's why we've taken control of the development there in this particular area that we owned as a government and said: we are going to invest in it. As we lay out the master plan for this community – and it's a big one – we're going to ensure that within it are areas that are strictly for building affordable or low-cost housing.

There will be areas of Parsons Creek that are sold, tendered out to developers who wish to do a 100- or 200-lot subdivision where the market forces will work. That's really part of creating the number of houses. In the total plan there are areas in Parsons Creek, there are areas of development up in Saline Creek, and we're looking at the development around the airport as a far more orderly development where, if there is to be a benefit from the land, it should come to the people who own it.

It's been a long process and sometimes a little frustrating, working with all the departments that had land, bringing it together, sitting down with the Wood Buffalo council, the regional municipality of Wood Buffalo, and talking about what they wanted to see as a

community in that area, then working through the engineering, how we service it with both roads and water and sewer, long term. Within that plan there are very definite areas that are going to be developed by the Social Housing Corporation where it will remain affordable or low-cost housing, but built in around it will be areas that are sold off. I don't want you to have to stand up next year and say: you said it's all low-cost housing; there are 1,200 lots going for sale. That's all part of the plan that has been worked on jointly with the municipality of Wood Buffalo, our Municipal Affairs planning, and the other interests in Wood Buffalo.

The Deputy Chair: The hon. Member for Calgary-Varsity, followed by the hon. Member for Edmonton-Strathcona.

Mr. Chase: Thank you very much. Just so that I understand this. Cities like Calgary and Edmonton, for example, are moving ahead and suggesting that any new developments should have a potential, say, 10 per cent guaranteed for affordable housing. Is the Fort McMurray situation almost the reverse, where a significantly large percentage of these houses will be of the affordable nature, and are you able to put a percentage to it? I know there will be other types of developments, and you want mixed development, but if you can provide a percentage of what is defined as affordable, that would be helpful to know.

Thank you.

The Deputy Chair: The hon. minister.

Mr. Denis: Thank you. I'm not specifically sure as to what has happened with Calgary city council. I'll leave that in their purview. But what I can tell this member is that when we refer to Parsons Creek, the parcel of land is intended to accommodate about 8,000 housing units. About 1,000 of those are stipulated to be as affordable housing, and we expect the completion in 2012.

Ms Notley: Well, you started to answer the question that I was going to ask there. In the last set of supplementary estimates last year I believe we were asked to consider requests for about \$8 million. That was the piece about transportation at that time. What I'm getting here is that right now this project is already renting stuff out, and of course they're clearly not renting stuff out at a rate that would meet any common understanding of what constitutes affordable housing. What I now hear is that we're helping to develop it and that a portion of it will ultimately be affordable housing, but none of it is yet.

I'm finding this all very hard to follow, so what I'm wondering is if we can ask the minister, because I know you've said you're happy to provide information after the fact: exactly from this affordable housing budget – and for the moment let's just limit it to Fort McMurray – can we get an accounting of how much money has gone through that affordable housing line item to these projects up there? How many units have we created since then that meet either the 30 per cent of income definition of affordable housing or the 15 per cent below market definition of affordable housing? If there has been a change such that there is now a third definition of affordable housing, can we be provided with that?

I'm really quite concerned that we have this big line item, and every time I ask questions over there, I hear all these grand proclamations about how we're providing affordable housing units for low-income Albertans, but now what I'm hearing is that what we're doing is subsidizing developments, small portions of which may in the future be affordable housing units for low-income Albertans. In the meantime developers are having a field day, having the govern-

ment cofund their opportunity to sell and/or rent at well above market. I'm asking the minister if we can get information on the basis of what I just outlined before I made that last statement.

The Deputy Chair: The hon. minister.

Mr. Denis: Thank you. Mr. Chair, I do believe, with respect, that this member is speaking well outside the purview of supplementary estimates. However, I will get her some of the information that she requests. I also would respectfully dispute any notion that the developers are having a field day under our programs. There are many good success stories happening here. At the same point in time we have to realize that it's the taxpayers money that's funding this operation. It's a balance, actually, that we need to make between being compassionate to the taxpayers and compassionate to those in need. We will get you that information.

4:20

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

Mr. Chase: Thank you. I don't want to belabour the point, but, you know, whether it's a mansion or whether it's a shack, you've got to have a road to it, and you've got to have a sewer. A significant amount of this \$19 million is going to just laying out the development is my understanding.

I do appreciate the fact that you mentioned that basically 1 out of every 8 houses, or 1,000 out of 8,000, are affordable. That reduces the affordability grant, in my mind, down to about \$2 million going specifically to houses that are affordable in this district, keeping in mind that you've got to lay out the land and put in the sewers and roads and so on. Correct me if that 1 to 8 ratio isn't also reflected in how much money is actually going to affordability in Fort McMurray in this development.

Mr. Denis: The member has raised a couple of issues here. Of course, you require good infrastructure – roads, sewers, what have you – and the funding being requested will obviously support the cost of clearing, storm and water management, roads, underground services, anything required to reasonably move forward with the development.

To answer the member's other question, my understanding is that as this is constructed, this will be flipped back, actually perhaps even at a net profit to the taxpayer. What will end up happening is that of the 8,000 units, again, 7,000 are private individuals. Then you'll have roughly a thousand units scattered throughout there, so about 12 and a half per cent, not dissimilar to the figure, that I trust this member is correct about, about future developments in the city of Calgary.

Sustainable Resource Development

The Deputy Chair: We'll move on to the hon. Member for Calgary-
Buffalo.

Mr. Hehr: Well, thank you very much. I'd just like to ask the Minister of Sustainable Resource Development a few questions. Good afternoon. We're just turning to some estimates for SRD. I have a few questions. The supplementary amount you're asking for is approximately \$150 million and some change. It looks like \$130 million of this is for emergency spending for firefighting costs as a result of high wildfire hazard levels and high fire activity in some parts of Alberta, and \$25 million is for emergency spending for continued ground survey and control operations to fight the mountain pine beetle.

It appears that year over year the SRD department relies on emergency funding for fires and the pine beetle although these have almost become regular to us. You know, we understand that there are going to be many forest fires, and we understand, I think, that we're going to be battling the pine beetle for some time. Nevertheless, we tend to budget low on this. For instance, last year I think we asked for \$117 million to battle the forest fires and then another \$15 million for the pine beetle. Can the minister explain why the budget doesn't include a more accurate reflection of these costs when you're starting out the process?

The Deputy Chair: The hon. minister.

Mr. Knight: Yes, Mr. Chairman, I certainly can. The situation, of course, that we're faced with in both of these issues – but I'll separate them and, I think, deal, first of all, with wildfire. We have a budget line that deals with preparation for wildfire. Depending on the year and on our financial circumstance, of course, it runs somewhere from \$90 million to \$100 million or \$110 million a year. That is a budget line, and that is spent on wildfire preparedness. What happens with that is that we'll take that money, and we'll go out, and we train firefighters on a regular basis, an annual basis. We'll set up the camps in different locations, set up the fire bases, get contracts with aerial firefighters, water bombers, the bird dog people, and all of that sort of thing, and put that thing together in preparation for the fire season. Those dollars we can get fairly close to what we're going to spend. As a matter of fact, we budget it, so obviously we stay inside the budget relative to those numbers.

However, we have tried in the past a number of different approaches to dealing with this wildfire situation. We've done things like try to insure part of the risk. That didn't turn out necessarily good for us, but we have tried those kinds of things. The issue really is that there is no way for us to actually budget a number. We've been all the way from – well, I can't remember a low, but, you know, anywhere up to \$300 million plus to fight wildfires. We actually don't want to put that kind of money, firm numbers, into the budget and then end up not using them because depending on the weather, really, and other perhaps industry-related activities and so on, you just really don't know. So we do the best we can to be prepared for wildfire and then go into emergency funding for the amount of money that is an uncertainty. I think that it's a responsible way to do it. As I say, we've tried other methods and found that this was the best way to do it.

Another thing, I think, that we need to understand about the situation there is that when you get into the middle of this thing, we don't actually know how many outside sources we need to call on at any given point in time during the fire season. So we'll have a requirement to hire Cat contractors, transportation people, you know, all kinds of different sorts of resources that we need to draw on. Then we have reciprocal agreements, also, with other provinces and internationally relative to the movement of firefighters in and out of Alberta if that's necessary, and of course there's always some cost allocated to that. So it's a very difficult thing to actually put a number in the budget.

Mountain pine beetle, by the way, is a very similar circumstance because you will very well recall what happened to us last summer. We had a circumstance where we really felt, from two or three years' previous worth of pretty good work, some solid money put on the ground to combat the spread of mountain pine beetle. We had a circumstance that we were enjoying, we thought, relatively good success, so some of the dollars that we'd sort of looked at putting into the mountain pine beetle we thought maybe not necessary.

All of a sudden – I believe it was in July last summer – there was a huge inflight from B.C. again. A really hot summer period and a

high wind came up, and there was literally just a hundreds and hundreds of thousands influx again. It hit certain areas there, particularly north of Grande Prairie and so on. We can't accommodate that in the budget. What we have to do is now we're going out. We've had a very active season now combatting mountain pine beetle, but that money isn't in the budget, so we have to go back to supplementary and ask for that out of emergency funds.

Very difficult to try to budget. You don't know, one, the weather and that circumstance and, two, how successful you're going to be in the winter season when you try to eradicate and then what's going to happen the following summer. That's the reason for the numbers. We have a base number for both of those things, but we need to go for supplementaries because it's difficult to control the costs.

The Deputy Chair: The hon. Member for Calgary-Buffalo.

Mr. Hehr: Thank you. I hear the minister, and I appreciate that you do have those two models where you prepare for the base funding, and you do that, you say, with \$93 million to \$100 million, whatever that might be, that you know you have a controlled cost on, and then you wait for a certain time.

I think for the three years, at least, that I've done this estimate, you guys have always asked for at least \$100 million maybe. You guys have now balanced this out and explained it to me so that what you're doing seems reasonable, I guess, but there might be a need to maybe say: "All right. We're for sure going to have \$50 million in those expenses. We've averaged that at least for the last four years." But I understand what you're doing now, and hopefully now – this is the third time you've explained it to me – maybe by next year I won't have to ask again why the heck that line item is here because I at least now know that there are two separate processes as to what's going on. I thought I knew that last year when I asked the question, though, and needed it repeated to me again. Thank you for being so patient with me and doing that again here today.

4:30

Anyway, on the pine beetle expenditure, were there some different techniques? Are they the standard techniques you're using, or is there more of a breakdown? I know some people have advocated for eradicating the pine beetle in different ways. What was, basically, this \$25 million for? Could you break that down?

Mr. Knight: Mr. Chairman, we use a number of different techniques, and of course like all kinds of technology, innovation there are always things that come forward. One of the things that had been tried earlier, I think, and some of the suggestions, of course, that people have, particularly when you're dealing with this in areas where it's more urbanized and you have pine beetles spreading into what we would call, I guess, towns, cities, villages, and that sort of thing, where pine trees have either been planted or are there naturally and we get beetle attacks – people would say: well, you know, there's got to be a way; just spray these things.

But the problem is that if you try to do any kind of eradication with spraying, number one, it's very difficult to do it. You can't really catch them, necessarily, externally in order for anything like that to work. The second part of that, of course, is that you get all the good stuff with the bad stuff when you use these types of eradication methods. So we don't do that. That has been tried, you know, in spot areas, mainly in localized kind of communities and that kind of thing, but I don't believe that's used at all anymore. I believe it had been tried.

We use some capture techniques where you'll get a tree that's infected, and you actually – now, I might have to be corrected on the

pronunciation, pheromones. We bait them, the trees. Trees that are already under attack: you put this bait around those trees, and it draws the beetle to a certain group of trees. You'll get a whole influx of beetles into a group of trees, and then the thing there is kind of a slash and burn, right? They'll go into that area, cut those trees, buck them up, and burn them. That's really one of the most effective ways to get small groups of beetles contained.

The other thing that has been quite successful for us is to plan a forestry harvest program. You know, we've had harvest programs that take place. They come forward with these programs, bring them to the department. You take a look at the harvest programs, and they're – I don't know – two or three years in advance, maybe more than that. I believe that there's some period of time in advance that the harvest programs are delivered to the department. With the situation with beetles we ask them to in some circumstances take their harvest programs and consider that they would move harvesting into areas that have been highly infested by beetles. So you actually harvest that wood at a period of time when the beetles are dormant, move it out, and try to suppress them that way.

Another way, of course – and this has been successful in some cases, but it's a technique that you're a bit skeptical about doing on a large scale – is just to go into areas and kind of cut into where the infestation is and actually just take the trees down and burn them so that you have a swath around these areas. There are a number of different ways like that that we do it.

Recently there have been a couple of operators – and I don't know how widespread it is – that have kind of devised some specialized equipment to go in and do single-tree harvesting, where they can get into an area and then take out trees that are infested and dispose of those trees, not on such a broad-based kind of an effort but on a more targeted effort with specialized equipment. Those are probably the primary sources of expenditure for those dollars.

Mr. Hehr: This is just more of interest. I think the word was pheromones. How much are you using those pheromone techniques? The reason why I ask is because I think one of my friends about 10 years into graduate study was actually doing some research on pheromones. You're now just using the pheromone spray, and it attracts the bugs. Is that proving successful? Are you guys doing that quite widespread?

Mr. Knight: It's been in place, I understand, for some period of time, two or three decades probably. I have to say that the experience that we've had with it relative to containing these kind of large in-flights of beetles: it works in certain circumstances, but it's not really something that is a magic bullet.

Mr. Hehr: Fair enough. Thank you.

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

Mr. Chase: Thank you. I fully understand that you have to set money aside for fighting fires. We have a tremendous amount of forestry in this province, and protecting it in a variety of ways is absolutely essential. I have no problem with setting aside the money and paying the bill after the fact, that kind of thing.

It pleases me to hear you explain the preferred methods of dealing with the pine beetle. I'm pleased to hear of sort of a return to the old style of logging the one tree at a time kind of thing because the damage that happens when forests are clear-cut only to be replaced by a monoculture reforestation – we don't gain anything from taking out all the trees and then replanting the same species. Lodgepole pine was my prime experience in Cataract Creek.

I am wondering if any of the money that has been set aside for the pine beetle program – for example, you talked about the ability to preplan. Have you targeted based on infestations specific areas in this province for selective logging, which takes place in the winter, and then it's usually transported out in the early spring when the roads are more passable, that kind of thing? At least that was my experience in Cataract. They'd cut in the winter, transport in the spring once the gravel roads hardened and so on. If it seems that I'm incorrect, could you please correct how the method works?

Mr. Knight: Mr. Chairman, I'm not sure that I quite heard all of the question, but I'll do the best I can with it. If you're asking about when we take these dollars and go out and take a look at the planning and the process that we're going to use to try to make sure that the dollars are put to their best use relative to suppressing mountain pine beetle, there are a few things that we do. One of them is active right now. We've been doing this on an ongoing basis for a number of years; that is, we go out and we monitor all of the areas where there has been a previous beetle attack and into areas where the signs are, you know, relatively easy to spot. You can see where the in-flights have landed. In a short period of time you can actually gauge where they're moving to, so we go out and monitor.

The forest companies and SRD will use their resources, and in some circumstances we hire individuals that are specialized in doing that kind of thing. We go out and monitor the infestation and the infestation levels. We do that across the province and then lay out a plan, and we're in the throes of doing that now. About the end of March, that sort of thing, we'll have the monitoring done – and that's part and parcel of these dollars that we've got in the front end of this thing – and then put in place a program to go out and mitigate the beetle problem.

4:40

Now, there are a couple of different organizations that have kind of formed around this. There's one in the Grande Prairie region. That includes the county and the operators in the area, people from SRD, and others. The municipalities, actually, have been instrumental in helping us with this control effort. Municipalities in certain circumstances are granted some of these dollars out of the program, and they, you know, help us manage in municipal areas, not necessarily in the green areas but in municipal areas to help us manage the beetle problem there.

There are two or three different ways that we do this, but there is a step where we monitor and then sit down and organize a plan of attack if I'm getting at the question.

The Deputy Chair: The hon. member.

Mr. Chase: Thank you. I appreciate the explanation. National Parks Canada has been very successful, for example, with controlled burns in the Banff area. They've managed under most cases to keep control of the so-called controlled burns. I know that fighting the pine beetle in different areas involves different strategies, but are you able to put an overall provincial sort of percentage to what percentage of pine beetle is fought primarily through pheromones? What percentage is fought through selective logging versus clear-cutting? Are you able to sort of look at that large provincial picture?

If I'm putting you on the spot, that's not the intention. I'd love to receive that information as to our selective approaches to the pine beetles. If the information isn't here today – I realize you're a new minister in this area – I'm looking forward to receiving it later.

Mr. Knight: I can certainly find out for you, but to my knowledge we wouldn't necessarily break down the percentage of trees that

have been infected and look at the different methods in a percentage of, you know, mitigation of the problem. I would have to suggest to you that things like removal and incineration: probably the largest majority of control is done either in that method or in the method as I described about harvesting. Those two things probably take up a great majority of the mitigation. If you need percentages, I could try to find them, but I don't think that we actually keep track of any percentages that I'm aware of.

The Deputy Chair: The hon. member.

Mr. Chase: Thank you. What would be helpful, you know, if you can't put a dollar figure to it, is if you could put a geographic, almost like a battle zone – in this area we've primarily used this method; in this area because of proximity to municipal districts we've tended to go – that would be helpful to get a sense of the overall picture.

This may not fit into this particular supplemental supply estimates, but can you comment on the ability to retain sustainable resource staff – fisheries, forestry – whether you're finding yourself having to go more towards seasonal or if you're able to keep year-round, especially, you know, in terms of identifying pine beetles and things like this? Is your staff fairly secure and intact?

Mr. Knight: Well, Mr. Chairman, you know, relative to the situation with SRD's budget, I mean, we will have a good opportunity to fully discuss those situations when we discuss the upcoming budget numbers. I could make a comment to the member opposite that under the circumstances that we find ourselves in today, all departments to some degree are very prudent with our resources, and of course we think that we'll gain quite a bit of efficiency in some of the things that we're doing with officers on the ground and generally speaking with the department's personnel. So we'll be able to continue to maintain, you know, the issues that we all face here, whether it's in SRD or Environment or the other departments that have people on the ground, and that is the safety of Albertans and the idea that we will continue to develop any of these resources in a sustainable manner and in an environmentally conscious manner. We believe that in the budget numbers that we have put forward, we'll be able to continue to do that.

Mr. Chase: Thank you very much for that assurance. In the three summers I spent in southeast Kananaskis I received tremendous support from SRD, from conservation officers. I just wanted to say that keeping those people in place, allowing the experienced ones to have a career in SRD and allowing the young upcoming through seasonal employment, at least, is a terrific investment in Alberta protection.

The Deputy Chair: Any other questions?

We'll move on, then.

Municipal Affairs

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

Mr. Taylor: Thank you, Mr. Chairman. I would like to speak to the supplementary supply estimates for the Ministry of Municipal Affairs. We are looking here at a supplementary appropriation of just a little over \$15 million, broken down thusly: \$500,000 for assisting with the response to the H1N1 pandemic and \$19,550,000 for disaster recovery and municipal wildfire assistance programs. Interestingly enough, this supplementary amount of \$15,341,000 is net of \$4,709,000 from lower than budgeted spending in other programs.

I'd like to start off by asking the Minister of Municipal Affairs why there was nearly \$5 million in unspent funds and, in particular, whether he knows which local government services received less funds than were budgeted for or ended up not needing the funds or whatever the case may be. In fact, I think that's an interesting question right there: was it that the funds weren't needed, or was it that the funds weren't spent by his ministry? If it was the latter, why weren't they spent?

The Deputy Chair: The hon. minister.

Mr. Goudreau: Well, thank you very much, Mr. Chairman. First, I want to indicate and re-emphasize that the funding that we're requesting will be used to help offset the costs that were incurred by a number of unexpected events that unfolded this year. As the member indicated, the majority of the request is for disaster recovery and municipal wildfire assistance programs. Under the municipal wildfire assistance program there is a total of \$8.85 million. That was for two incidents in Lamont county, and Sturgeon county, Strathcona county, and the county of Thorhild had wildfires.

Then the other ones were basically disaster recovery programs for a total of \$6.6 million. There was an incident in south-central Alberta, and that was a flooding, \$1.8 million. In Edmonton here and the surrounding area: a windstorm; we covered some of the costs, up to 4 and a half million dollars. Then in central Alberta: another windstorm, \$300,000.

Those costs, then, amounted to, as the member indicated, \$19.6 million. There were five municipal wildfire assistance programs and three disaster recovery programs and, as the member indicated, another half million dollars for the costs incurred responding to the H1N1 pandemic.

Now, we were able to identify about \$4.7 million in savings from our value review. We went through and did a value review within the ministry, and we were able to look at \$3.47 million that was there and lapses in programs of about \$731,000. Those were in terms of grants in place of taxes. The request wasn't quite as high as what we'd anticipated, so we were able to find about \$730,000 under that particular one. It's a combination of a couple things where we found the money. Part of it is the ministry's value review savings.

Mr. Taylor: So we're only about \$94 million short from being able to fund the airport tunnel. I'm just kidding about that.

A couple more questions for the minister. The \$500,000 for assisting with the H1N1 pandemic: will that be reimbursed by the federal government? Does it fall under the category of disaster recovery? If not, why not?

4:50

Mr. Goudreau: There is a formula that's usually used and normally followed when we make a request to the federal government. That request generally triggers, I believe, after \$1 per capita per event. So we need to spend about \$3 million plus per event before we can trigger some federal dollars coming in. This year most of the individual numbers were below that – \$1.7 million, \$3.3 million, \$3.1 million, \$1.8 million – so we're not able to access federal dollars for the majority of them. They were all below that level to be able to trigger dollars. That's including the H1N1, so I don't expect that we're going to get any recovery at that particular level where we are committing the half million dollars.

Mr. Taylor: Thank you to the minister for that. That also gives me a sense of how much of the \$19.5 million for disaster recovery and

municipal wildfire would be recoverable from the federal government. It sounds like not much, if any, this year. Too bad we can't put in a block request for that, but unfortunately we can't.

This is my last question on Municipal Affairs. Could the minister explain to me what the \$500,000 for assisting with the H1N1 pandemic is specifically for? Mr. Chairman, I should know this. I'm sorry; I don't. I just want to find out for sure because this \$500,000 is separate, of course, from considerable supplementary expenditures on H1N1 under the ministry of health's budget.

Mr. Goudreau: The \$500,000 of those costs was incurred by the Alberta Emergency Management Agency. We are doing a fair amount of co-ordination across the province to make sure that some of the services are there. So when the decision was made to open up the stadiums, for instance, our agency was involved in getting those kinds of things to happen.

Mr. Taylor: So just as a supplementary to that, just a clarification. None of that would be specifically for H1N1 shots for municipal emergency workers, police, fire, EMS, that sort of thing, then. That would be under the health budget.

Mr. Goudreau: It was more of a co-ordination effort amongst all of the members.

Mr. Taylor: Thank you, Mr. Chairman.

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

Mr. Chase: Thank you. I think Moses could relate well to Alberta. If it's not a summer of floods, then it's potentially a summer of fires, and if somehow we miss both of those, we can potentially worry about grasshoppers as opposed to locusts. In terms of being proactive and reducing the costs of, say, fires or floods, in the case of floods has the Municipal Affairs department required cities and towns to stop building on flood plains?

Mr. Goudreau: Mr. Chairman, I know that that particular issue has come up over and over again over the last many, many years. Certainly, there's an encouragement there. We are constantly working with our municipalities. Naturally, that seems to be the most attractive land to build on. It tends to be the land that has the best views and, you know, the most ideal places. So there's a tremendous amount of pressure from people who want to build and for municipalities to develop those particular properties and, on the same side, to look at the risk factors involved, so where we're saying that the risks are 1 in 100 years, then there are probably more options for them to build than if there are risks that might be a 1 in 20 years or 1 in 10 years flood activity.

Over the years there are some areas – I'm very familiar with Watino, for instance, a community up in my constituency, where it typically flooded probably every 25, 30 years. Today there's not a single building there, nor do we allow any type of development.

We are working with our municipalities. We're encouraging them not only on floods but on fire and fire mitigation, working with SRD staff – and some of the new funding we received from the federal government in terms of the community development trust dollars – to fireproof communities, to make sure that communities can respond to fires, that we minimize the impact of threats of fires. So in both instances we're trying to take a preventative approach, an approach to try to minimize that.

Are we successful in all cases? No. We still have some municipalities that have some issues. Some municipalities over the years

have actually developed properties, that are for sale and that people are still building on, that are subject to potential floods, and we are working with them.

The Deputy Chair: The hon. member.

Mr. Chase: Thank you. I know, for example, that the Highwood River had two such incidents one week after the other. They were supposedly 100-year events. But, unfortunately, in the High River area they're still building below the flood plain. As a province I'm wondering if we should be paying out the insurance costs for people who knowingly purchase in an area that is below the flood plain.

The other circumstance – and I don't know whether you can comment on this or not, and I don't know whether any of the funding goes towards this – is in terms of wildfire assistance programs as it relates to municipalities. There is always a balance between not taking up more agricultural land, for example, having an attractive forest or the beauty of nature surrounding towns and cities. Is the province working with the municipalities to sort of fireproof the surrounding areas?

Mr. Goudreau: Mr. Chairman, certainly, the discussion around High River was a number of years ago. We're requesting at this time a supplementary estimate for a total of \$15.34 million. The High River incidents at that particular time – and I believe it was the same time that the Bow overran its banks as well, and we lost some property around Kananaskis. It was a huge disaster year for the province of Alberta. I believe that year we probably spent about \$120 million towards offsetting some of the losses and the costs. That's when I think the High River incidents happened a couple times, back to back. We're working with the municipalities and certainly trying to devise ways to flood-proof their communities.

As I indicated, on wildfires we're doing the same thing. Those communities that are subject and are closer to the forest areas where there is predominantly a high concentration of wood fibre around their community that might be subject to flash burns, or quick burns, where there are really no formal firebreaks, we're working with those communities to try to minimize the impact of potential fires and the threats of fires to their communities. It's a work in progress. Certainly, the community development trust fund that was transferred from the federal government to the province and spread amongst a number of ministries: a good part of those dollars are used exactly for fireproofing communities.

The Deputy Chair: The hon. member.

Mr. Chase: Thank you. I appreciate the cross-ministry co-operation. For example, SRD works with parks in terms of setting out fire bans and so on. Within the Municipal Affairs department is there a co-ordination such as putting areas out of bounds, say, for quads during a high fire type circumstance? Do you have that ability within Municipal Affairs to say to SRD or to say to parks and recreation, you know, that there's danger potential, so we've got to keep people out of this area except for just walk-in, non fire type of circumstances?

Mr. Goudreau: My responsibility, Mr. Chairman, probably ends where the municipality ends. Once we get into the green zones or into the public lands, then it becomes an SRD decision, or if it gets into a parks area, then it becomes the responsibility of the Minister of Tourism, Parks and Recreation. They would have that authority to call that. Typically the local municipality knows best when they're under threat or potential threat. They can impose fire bans.

They can impose different bans, including transportation bans or weight bans and those kinds of things, on their roads if they feel that there's potential damage to their communities. So initially municipalities will.

5:00

If there tends to be a growing pressure from a number of municipalities or threat that might occur to municipalities, then our Emergency Management Agency will get in touch with the municipalities. Often it's the other way around, where municipalities are deemed to have the responsibility over their own jurisdiction. If they feel they need help, then we strongly encourage them to call us before things happen or when issues are small rather than waiting till the issues just flare up and it's spread all over the place. It's two-way communication that we're establishing. We encourage municipalities to act sooner rather than later.

The Deputy Chair: The hon. member.

Mr. Chase: Thank you. If there aren't any more questions with regard to Municipal Affairs, I would like to move on to Tourism, Parks and Recreation. I just wanted to make sure. Thank you.

Tourism, Parks and Recreation

Mr. Chase: The breakdown of expenditures, the supplementary amount of \$8,590,000, which is net of \$902,000 from lower than budgeted spending in other programs, is requested to provide \$8,992,000 to complete 13 nominal sum disposals of parkland to municipalities to fulfill prior agreements. I'm not sure who's handling this portfolio. I am a little bit concerned that we're creating a larger sort of footprint and losing potential parkland in the process, and we're spending \$9 million to further reduce parkland. If someone could set me straight on that, I would appreciate it.

Mr. Snelgrove: I'm happy to. The bulk of the \$9 million comes out of Sylvan Lake and the town of Sylvan Lake, and that is about \$7.69 million of the total. It's been a very long negotiated agreement with the town. It's always been a bit awkward because the park separated the business from the lake. Of the rest of them, Willow Creek down in the MD of Willow Creek was \$1.4 million. Most of the rest are quite small: Horseshoe Canyon, Hanmore Lake, Crane Lake West in Bonnyville, Sun Haven, the summer village of Sunbreaker Cove, Crane Lake East in Bonnyville, Groat Creek, Fork Lake, Holmes Crossing. I can give the hon. member some because I'm pretty familiar with some of the stuff up in our area.

A lot of these areas are very expensive for us to run and to look after or to supervise. In these cases, all of them, we have a very willing participant, that's a municipality. These aren't going to private developers. They're going to counties, MDs, towns who want to run that park, basically, to better suit the needs of the people that live around there. I know they've been through quite an extensive consultation. It simply is, really, about making sure that we can focus the provincial level resources on areas that actually make a difference. I think we've got a pretty good record in establishing and preserving parks in our parks system, but when you're nipping away at a whole bunch of little ones, where there are people who are ready and more able to run them, those are the ones. I'll have a copy of this made and sent over to the hon. member.

The Deputy Chair: The hon. member.

Mr. Chase: Thank you. I was sort of looking at the larger picture. If the land continues to be park and it's operated by the municipality

as opposed to the province, then I don't have a problem with that. Where I have a problem is with access for the public being further restricted. My concern – and I've brought this up in the House – is that with just barely 4 per cent of Alberta's land set aside for provincial parks and recreation areas, any loss of that already small amount is a concern for me.

Another expenditure, \$500,000 for equipment and displays at the Canmore visitor information centre to complete the renovations of that facility. I don't begrudge one single cent of the millions of dollars – this probably brings it up fairly close to about 40 and a half million dollars – that have been spent over the last five years on the Canmore Nordic Centre primarily for water and waste treatment facilities. It's money well spent. It's a terrific facility. It's a jewel in our parks system. However – and I'm not suggesting it's an either/or – it concerns me when I look down the list and see that only \$2,731,000 has been set aside for trail maintenance, repair, and upgrading of numerous provincial parks to expand the number of campgrounds. It really concerns me that we're spending a great amount of money to attract and promote Alberta from a tourist point of view, but we're not spending the money to maintain the facilities that we currently have.

I'll not go on, but I've experienced it as a park operator in the Kananaskis in 2002, '03, and '04, where less than \$2 of a \$17 registration fee were ploughed back into the maintenance of the park. It concerns me that we've spent almost as much money in putting more parks online for reservation than we have for actually maintaining the parks. To me, at some point if we're going to encourage people to come and have a wonderful wilderness experience in our Alberta, then we're going to have to start repairing. Just as we've got a multimillion-dollar repair bill for schools, we've got a multimillion-dollar repair bill for parks. The answer is not to reduce the number of parks but to repair those that are existing.

I realize that's a rather large comment, but I would welcome the proportional explanation for why we're spending almost the same amount of money on making fewer spots available on a first-come, first-served basis and then, once they get there, the value for it.

Mr. Snelgrove: Mr. Chairman, now, the \$2.73 million. The reason it's here is because in the fall the federal government came to us and said: "We've got some money we'd like to put into parks. What have you got?" That's normally the only easy part of dealing with the federal government and trying to get money from them. As well as you, I don't want to send any of the money back to Ottawa because I, too, believe that one of the treasures we have is our parks, but we're spending, you know, \$37 million on park operations. I don't want to get into what the trails are, but it's part of it. The \$2.7 million really was this department facilitating from the western economic diversification community adjustment fund \$2.7 million into Alberta parks, which we happily accepted, but it does show up here as kind of an afterthought.

Your comments about Canmore Creek. The demand for the Canmore Nordic Centre is literally multiplying in front of us. It truly is and will remain a very, very popular both local and resort destination. I think your comments are correct: reinvesting, investing in that are well-spent dollars.

I think that was all that we had.

The Deputy Chair: The hon. member.

Mr. Chase: Thank you. I appreciate the explanation. I hadn't realized, even though this is my fifth year, how much of the supplementary supply is actually funneled through federal funding. It's a revelation for me.

Ms Blakeman: That's not usual. That's just this year.

Mr. Chase: I'm corrected that this is a special circumstance.

I agree with the hon. President of the Treasury Board that for any federal funding that we can get, we want to say thank you, thank you, thank you.

I remain concerned about the amount of money we've spent in terms of promoting the province. We're sort of promoting what I see as a deteriorating circumstance in the majority of off-highway parks, and I don't know if, other than this federal transfer, we shouldn't actually be investing more in the parks system itself as opposed to the reservation system. If you're able to comment on those two figures, I would appreciate it. My understanding is that for every dollar we invest, there is a potential of a \$10 return, and I want that sort of park wilderness experience to be really valued.

5:10

Mr. Snelgrove: I have to be a little careful here because I do have a park myself. I know how you can sell camping experiences, and I think, quite honestly, private industry can do that better if it's a camping experience you want. I think we need to understand that I might not be able to sell a wilderness experience on your mountain. I think parks are kind of going through their part and saying: what we do as government we should do well, but building a camping stall might not be it. Providing the opportunity for – and I think there has been some terrific work done by the Alberta hotel and lodging people and the campground operators to say: "You know, we're all in this together. Getting someone to Alberta is the goal. Where they go in Alberta, that's the key."

It could just be a personal observation, but I don't think we need to be the ones that build the campsites, that build the trails or maintain them. We sure need to understand what our customer wants, and we've got to connect the dots with a lot of private operators or in some cases our other departments. Give them what they want within the realm of maintaining and preserving ecosystems and some of our eastern slopes yet provide that experience that they will go somewhere else for. There is a lot of Alberta. You're correct that there's not a lot of it that's provincial parks, but they are still very good.

I think people are more aware of the environment that we camp in. I see a difference in the recycling that's happening in our campgrounds and the way they're more concerned about that. I mean, they all used to have a fire this high and sit back 20 feet. We are learning as a people that, you know, we kind of have to live with nature. It's the best gift we've been given. I think the evolution of camping will go where government can do what it needs to do. We can get a ton of private investment from private operators who can sell that experience, but I believe it's connecting us to the outside world that's their big key.

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

Ms Blakeman: Thank you very much, Mr. Chairman. That was very interesting. Can we just pursue that a little bit because I think the hesitation that I hear from people about private operators of campgrounds – and I agree with you. I think they can offer and do offer a great experience a number of times. I know there's one spot that I always stop in just the other side of Valemount because it's the right place, and they do a nice job. It's a private campground. I'm very happy to go there. I think the hesitation people have is that when you have a private operator, will we end up at the point where a private operator is operating campsites that are in protected areas? The concern always is that you end up with corners being cut or not the same level of vigilance.

Let's face it. Government has a job, part of which is around protection, and those employees are going to be more likely to kind of honour the boundaries of the wilderness areas they're in. You may not get that same vigilance with a private operator, who has a profit motive. That's why they're in business. Fine. I've got nothing against that, but there is a different focus on why they are doing something. I think people's hesitation is: are we going to be turning over our public campgrounds to private, and what will be the result of that? Will there still be the same vigilance around protecting it in context?

Mr. Snelgrove: Happy to engage because this is a really, really important discussion. I don't think that 20 years ago you had people willing to pay for an ecological experience, a few but not very darn many. Most people hooked up the tent trailer and went and camped. The world now has really changed, and I agree that the fit of privatizing our campgrounds hasn't gone as well as I certainly would have liked. You take a circumstance that might work for government. It doesn't necessarily work in the private. We tied their hands in many ways about providing camping experiences that people wanted.

I agree that if we don't very carefully manage our resources when we talk about access to sensitive areas – I think that the other thing that private industry has also gotten aware of is that they can't do the stuff that they used to do and get away with it. We have smarter people in government, I think, and in the business that know it's about pristine wilderness. I can tell the hon. member – I don't know if she's ever had the good fortune to go into some of the remote areas, whether it's a fishing camp or something – that the operators of these facilities that I have had the good fortune to know are absolutely the fussiest people I've ever met. There is no more of this throw your plate in the fire or your plastic fork or a beer can in the creek. They are far more aware.

But I agree with you. When we're going to get into the area of providing the experience that is truly rare, we'll either need to be very hands on, or we'll need to have very, very clear guidelines about what is acceptable and what is not acceptable, and there really shouldn't be a whole bunch of grey in the middle. So as we go forward and develop that in Alberta, we need to watch, but there is a way. If you're going to have access, under managed conditions I believe that you can have that partnership with private operators that, I think, exists there now in many cases.

Ms Blakeman: The other piece of this, then, is that one of the problems we had when we handed over sites before was that the infrastructure wasn't in great shape. I'm thinking of some of the campsites that I've been into, one of which is fairly close to where I have a recreational property. It's actually next door. For what I was used to, for the province of Alberta, it was in crappy shape. You know, the outhouse wasn't in good repair; the door was hanging, blah, blah, blah. Sorry. A little pun there. And it didn't get any better under the management. That was actually managed by a local fish and game association, right? But that's when you were trying to get other people to manage it.

So I'm wondering. If you're looking at shifting this, is there a long-term plan to invest in the infrastructure so that it gets handed over at a certain standard and that that standard is to be kept up? Or is it just, "As is, where is, we're handing it over now for you to manage; you take it as it is, and you improve it"? What are you looking at? Are we going to bring it up to a standard and expect it to be kept, or are we going to hand it over and say, "You bring it up to speed or keep it, you know, whatever, let it go"?

Mr. Snelgrove: No. I'll tell you, and this comes from experience because I did take one of the parks to run. I've been and I've done everything, and profit has never really been a big deal. One of the things we did is that we tried to get private business to come in, and then we wouldn't let them do what they would do. Everybody in the business will tell you that the washroom facilities in parks are absolutely the most important thing that you can do, yet you cannot go in and rebuild a washroom on the money you're generating from a five-year contract in a park of 80 sites. I can tell you that that won't work.

We need as a government to be able to go to private operators and say, "Okay; if you're going to make that investment, you have to be able to get a return" because nobody in their right mind, me included, would do it. I was fortunate to have a darn good ranger and some pretty good representatives, and we were able to make a deal. I said: okay; I'll invest. I put some big dollars in, but I had to have time to recover them. So there was no incentive for many people to improve it because they've still got to get a return.

Maybe it was the five-year or the two-year contract some wanted to have. You just can't make long-term business decisions on a two-year opportunity. You could invest and lose your equity to a low bidder. In many ways giving our parks to a low bidder probably isn't going to get the experience that we want from tourism. So it's that fine balance between, you know, an open and transparent business deal yet bringing in someone who's going to sell the experience that we want people to have when they come to Alberta and get a return from the investment that they're willing to make.

The Deputy Chair: The hon. member.

5:20

Ms Blakeman: Okay. So just to clarify, what I'm hearing, then, is that what we're likely to get is a contract that would set out what infrastructure was expected to be maintained or invested in by the private contractor. But in return for that, there's a longer period that the contract runs for in order to allow them to recoup their investment and make a profit out of it.

We wouldn't necessarily be investing up front the money to say: okay, it's in, you know, a class A shape, and we expect you to keep it in class A shape. We're not going to do the investment up front; we're going to put it in as part of the contract that they keep it up. Then – and this is going to be a familiar refrain coming from me – where's the monitoring and compliance enforcement? If you're going to run those contracts – and one of the things you guys are not good about is monitoring those contracts to make sure that what you think was going to happen happened and to be able to catch it before it's too far gone.

Go ahead.

Mr. Snelgrove: I think I missed probably the most important part of what you said before and the response. The fact is that when we went to privatizing, most of them were in the crappy shape you talked about. That really puts people at a huge disadvantage.

I really can't speak for how the minister wants to approach getting the washrooms and the rest of the parks into a shape that you would be able to have a contract that you could maintain. If the darn thing is falling apart when you get it – and normal contracts say that you will, given normal wear and tear, return it in as good as or better shape than you get it. But if you got it and it's falling apart and you give it back and it's falling apart, what have you accomplished? There does need to be that discussion about the starting, the way we're going to go to it, and then you can monitor.

But I agree. I think we spent a great deal of money, and we were known – once again, I can talk about myself – for years as having some of the best provincial parks. We've still got the parks, but we haven't managed them as well as we could have. I can accept that because I've seen them myself. It doesn't mean we can't be better. I think that with the partnership that they've developed with industry right now so that customer service becomes one of the biggest things they talk about – I'm talking the camping experience, and I know that other line up over here with the environmental experience – they're on the right track. I really do. I'm still involved with it but very remotely with the campground association. They've needed to pick up their boots, so I accept your nice criticism.

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

Mr. Chase: Thank you. I appreciate the fact that you've run a campground because that's the experience I had for three years. I'm not suggesting that private operators can't do a good job. I worked for a fellow; his name is Ian Nicholson. He is in charge of High Country Camping. That's the outfit I worked for. He's a former conservation officer, so he really gets what a quality camping experience entails.

The problem exists in terms of not only the maintenance but the support for the private operator. For example, my wife and I were so fastidious that we cleaned the firepits out down to the gravel. You would not find a cigarette butt anywhere within that area. But things that we couldn't control, for example, were the fencing. The fencing had gone down; the Texas gates were filled in on the roads. So what happened was that when the cattle were dropped off for free range, I became a herdsman. I did an awful lot of shovelling and raking, that kind of thing, because there wasn't that support in terms of the overall maintenance. That's a frustrating part.

Also, if I hadn't built the equivalent of sort of an information centre – my wife and I would gather, courtesy of Tourism, Parks and Recreation and SRD, information booklets. With material that I managed to confiscate from behind the local park shed, I was able to build an information centre and build with the wood that existed tables and stools and, you know, make it attractive for people to come. My wife and I would provide what information we could with regard to fishing regulations, with regard to the beautiful hikes to the Cataract falls, and so on.

But we found over the years that we were seeing reduced support from the province in terms of reduced conservation officers. In 2002, when we had the G-8, we had hot and cold running seasonals. We'd see them every day, and they could help out. But as we got through to 2004 and unless things have changed, if they've continued to decline, the areas that the conservation officers were required to supervise made it impossible for them to come in and talk to people about coolers on their picnic tables and the danger that, you know, if a bear comes into the camp, he's a dead bear if he goes near a cooler.

What I'm suggesting – and maybe it can't be covered under supplementary supply – is the need for co-ordination and support. If privatization is one of the ways that the province is going to move, then they still have to support the private operators to the same extent they do the provincial operators. That's my appeal.

In terms of maintaining the park – and you've experienced this first-hand – you can only put so many coats of paint on the wall of an outhouse that is starting to rot. If you're going to privatize it, the province has to make sure that there's funding available and directed to the operators and that they have sufficient funding to be able to hire the people to provide the maintenance. Some of the stuff I did wasn't pretty, but it was substantial.

Mr. Snelgrove: I can't believe I've talked about parks for this long and not mentioned the lovely Spring Beach resort on Muriel Lake. I just can't believe that. Well managed, well run, clean, neat campgrounds for the entire family. Did I mention that? Spring Beach resort on beautiful Muriel Lake, just south of Bonnyville. Just in case no one caught that.

The Deputy Chair: Are there any other questions, then?

Ms Blakeman: I'm just wondering if anybody is speaking for the Culture and Community Spirit budget.

The Deputy Chair: We have not spoken on Transportation or Culture and Community Spirit, and that doesn't preclude us going back to any of the others either. It's still open. We've got a half an hour.

Ms Blakeman: All right. Well, if I can put in a plug for Culture and Community Spirit, then, that would be great. Anybody want to talk to me about that? All right. Go.

Mr. Snelgrove: Yeah. Just go ahead. Go for it.

Culture and Community Spirit

Ms Blakeman: This money has been requested to provide for site reclamation costs at a couple of different historical sites, so the obvious question is: which historical sites are they for? That money for the upgrading I think was in last year's budget, so why is the site reclamation so far behind? Related to environmental liabilities that were expensed in prior years, which are the sites, what were the environmental liabilities, and why wasn't the money closer to the actual expenditure of the upgrading? I'm curious as to why this is coming through as a supplementary supply. It should have been in the regular budget. Was there extra money that got thrown in there, or is there some sort of environmental problem and they had to clean it up, that they were on the hook for it and had to clean it up, so they had to come up with the money one way or another?

I'd just like to hear what the heck is going on. It's \$2 million and change, \$2.8 million. It's not an incredible amount of money, but I'm always curious with supplementary supply, especially when it's almost a billion dollars and nine different departments, and we had to respond to it in 24 hours. I just thought that I'd get that one on the record.

Go ahead, Minister.

Mr. Snelgrove: Mr. Chairman, I really want to apologize because I didn't think that the hon. member would really want to talk about the reclamation of this. I thought she would get her plug in for other culture and community stuff because supplementary estimates hasn't necessarily stayed within the framework of supplements. I'm sorry; I didn't mean to suggest that this wasn't important. I just thought that there were bigger fish to fry with culture, but I will tell her.

5:30

The Culture and Community Spirit sites are the Turner Valley gas plant, the Bitumount, and the Greenhill mine. What we have done is started in many of these areas. Any time you're dealing with hydrocarbons and other kinds of contamination, often your original assessment is not exactly complete. The other thing that happens is that we are becoming – I want to say stricter, or we're getting a little fussier about how we do reclaim and how that will go forward. It is reacting to the recommendations from the Turner Valley gas

advisory panel, that we got in September of last year, and it also works on an abandonment of the Dingman No. 2 well bore. Any time you're getting down there, if you've got a bad abandonment, you literally can spend millions, and you can't quit halfway through, normally, when you're down there. But it is basically around the environmental issues of those three areas. Actually, I don't know why I didn't list it in the sup estimates so you'd know.

Ms Blakeman: Well, thank you for telling me which one it is because I know a lot about the Turner Valley historic gas plant, not the least of which because that's where the Blakeman side of my family comes from. My father used to party underneath the gas flares in the middle of the night. Yes, yes, yes. So Turner Valley and gas. Yup.

I have been to the site a couple of times, and we, in fact, have had people here in the gallery. Roxanne Walsh has been an activist down there for some time around that site. Because we weren't very environmentally conscious way back when, we dumped stuff on the ground outside of plants and didn't necessarily clean up when there were spills, and it's a huge problem.

On the one hand, I think people in Alberta genuinely want that museum to exist. It is very much part of our heritage. It's where our money came from originally, before Leduc No. 1, and it still comes from natural gas to a great degree, depending on the year. So I think it's very much a part of our heritage, and people want to see it and experience it.

On the other side, this place has got problems. I don't think we even begin to understand – I'm trying to choose my words carefully here – how much work needs to be done on that site. I've raised questions in this House before around the testing that went on about leaching into the Sheep River, which runs right by it, next to it. The gas plant is on a bit of a slope, of course, and the slope ends in the river. This was also a wrestle between community development, health, and environment. Each one was testing differently and had different results. Ultimately, it comes under community development, which signed the contract to take it over. This is a tough one because we do want to clean it up. We want to make it possible for people to participate in this site. I just have real questions about whether we can.

The Dingman flare is a perfect example because as weird as that might seem to people, that direct flaring is part of our heritage. People wanted to see it, but it ended up getting shut down in order to deal with the site that it was coming from, that actual well. It's on the side of a hill. When you drive across the bridge, that Dingman flare is, you know, 25 feet away. You can see it, but it's flaring 25 feet away from a road, and it's flaring out of the ground.

Can you tell me how much money is being spent on that site, and specifically what is being done? We've gone back on that site a number of times, often for testing, occasionally to remove some of the soil and the contaminants, so I'm interested in what exactly happened on that site.

Mr. Snelgrove: I don't know the exact number. I know that on that site they are going to do an enhancement of the containment system, and I know they're using some of the money to do a risk assessment of the river basin, but I don't know the exact dollars.

Ms Blakeman: Okay. You know, there was something else about culture that I wanted to ask. [interjection] Ticketmaster? No. That's Service Alberta.

You know what? I think that for the specifics of what we've got in front of us on this supplementary supply, I'm fine with the

explanation. They should've been able to do it in the regular budget. It shouldn't be coming through as a supplementary supply, but it did, and at least we know what it is now.

Thank you.

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

Mr. Chase: Thank you. If it's all right, I'd like to move along to Transportation.

The Deputy Chair: Fine.

Mr. Chase: Am I talking to the Treasury minister? Thank you. Thank you for indicating.

Transportation

Mr. Chase: I'll note how things are broken down, and then I'll put forward the questions. The supplementary amount of \$73,827,000, which is net of \$148,833,000 from lower than budgeted spending in other programs, is requested for the following programs: approximately \$13 million for the Alberta municipal infrastructure program; approximately \$86 million for the Alberta cities transportation partnerships; approximately \$12 million for the resource road program; \$8 million and change for the streets improvement program; almost \$76 million for the municipal water, waste-water program/water for life, a terrific investment; \$15 million for the federal public transit trust; approximately \$12 million for the Canada-Alberta municipal rural infrastructure fund; and \$250,000 for program services.

Of these various amounts \$30 million is being reallocated to corporate human resources for separation payments. This comes from page 47. Is it possible to provide, as specific as possible, the types of severance packages that were given out? How many people, you know, to the nearest hundred, I suppose, were impacted? Is it possible to provide specifics as to the type of restructuring that occurred? I'm throwing this all out. How much money is the government expected to save in the long term? Will the Auditor General be looking at these separation payments?

It seems, from a quick perusal, that Transportation is getting very hard hit in terms of separation payments. We've seen several millions of dollars go to separation in the health care programs, and this seems like a large chunk of change.

If I can just sit down at this point and get an answer to why such a large separation. Hopefully we're not seeing a Steve West in Transportation.

Mr. Snelgrove: Oh, no. The \$30 million is not for Transportation. We have been working with all departments to try to establish more of a corporate approach to much of what we do in government, whether it's our IT, in payroll, and stuff like that, also in our approach to the people that work with us. We are going to have some layoffs, that we actually announced earlier in the summer, that were the result of contracting out some of the IT/desktop contracts for cross-government through Service Alberta. There would be approximately 110 people that would be let go because of that. They're just being let go. We haven't spent any of that \$30 million yet. That is to address some changes that are going to come about from some of our restructuring, and that is to deal with all government. The severance packages, if they are union, are dealt with in our union agreements. Our packages for management/nonmanagement are set out in our understanding with our –

I'm struggling for the word. But there is a set amount. These are not for any specific part.

5:40

I should say that most of the money that Transportation had to reaccount for here was as a result of us trying to access every penny we could from the opportunities that the federal government had in their different spending programs. Whether it was for some of the stimulus funding: we had to be flexible in anticipating that. We didn't exactly know where they were coming from. We took money out of MSI, put it in Treasury Board. Because the federal government often says that it has to be new money, it couldn't come from that department. So we took it, anticipated that we might need it. It worked out very well for Albertans, but a lot of this was a shell game, to make sure that we could access all that we could from the federal government. So this, in all fairness to Luke, wasn't his poor planning. That was us trying to use that department to access the federal government money.

Mr. Chase: I appreciate the clarification. I thought it was a very potentially large hit to a single ministry. I'm very aware that the number of roads in Alberta that are rapidly approaching that fair to poor condition are significant, and we need people in place to oversee that.

Again, I'm appreciative of the federal dollars. It makes it a little bit difficult, I think, for our minister of finance to be hammering away at the feds in terms of transfers when it seems that there have been some significant transfers this year. But that's his discussion.

The reallocation was made possible by changes to the rules for matching of federal stimulus funding. The result is that less funding went to capital projects. Which projects, large-scale if you like, were cancelled due to the ministry having to pull back funding?

Mr. Snelgrove: No. There was nothing cancelled, Mr. Chairman. Last year, as the cost pressures changed, we started to get projects done for much less money. So it wasn't a case of us pulling back in specific projects. It was simply realizing a savings from the economic changes that we went into. It wasn't a case of cancelling to do that. As a matter of fact, with the federal government spending, I actually think they ought to have made that commitment to Alberta at least every year for the next 10 years. I still have a little trouble doing cartwheels with them in their pictures when they give us \$800 million and take \$21 billion back. I'm still not sold that we're getting an equitable partnership with our good friends. But it's better than it was, so we'll continue to work with them. But it's from savings on projects, not from cancelling.

The Deputy Chair: The hon. member.

Mr. Chase: Thank you very much. Provincial highway systems left \$6.9 million in funding on the table. We've talked about, you know, the 40 per cent benefit of reduced costs in materials, and I talked about the fact that almost half of our highways are approaching that poor condition. I'm just wondering why that funding wasn't used to rehabilitate more of our province's aging highways.

Mr. Snelgrove: It is hard to put it in a line sometimes. You know, I think they spent last year close to \$400 million on preserving and maintaining highways. So I do have to know: okay; how did you save this from that? We have an accounting, things we follow. If they actually save it at this line, it has to show to that line. Some of the savings came from a decrease in the cost of supplies. I think

most of it came in process and how they administer some of the contracts that we do. So we're not saving the money at the expense of the road itself. We're saving the money in the way that we approach how we do our maintenance.

Mr. Chase: Again, I want to look at having good roads as an investment as opposed to an expense, so I don't want to get caught up in the definitions of spending, saving, and investing.

Why was \$50 million that was budgeted for noncash items not spent? Again, I think we've probably reached the bottom of our recession in terms of saving that 40 per cent deduction that we've currently got. I think that window of opportunity is probably starting to close.

Mr. Snelgrove: The \$50.4 million from noncash spending resulted from the lower capital amortization requirements because we didn't build as much. Much as our friends in the Wildrose would like to think that it isn't there, amortization is a real number, and it is in our budget, and if we build less, we'll account for less. The other part is that we suspended nominal sum disposals, and transportation is one department that normally has to get rid of a lot of government land along or near the highways we don't need, and that has to show as a cost to our books. So where we had anticipated getting rid of some of that land, where we don't get the money but we have to show it, we didn't do that.

The Deputy Chair: The hon. member.

Mr. Chase: Thank you. It's just a matter of the budgeting process.

There's \$148 million needed for municipalities that's partly showing up in the supplementary supply. There was sort of a 10-year agreement with municipalities going to receive a certain amount of funding, and of course, dependent on the recession, there was a formula built into what kind of funding went. Why wasn't this budgeted for during last year's estimates? Is this additional funding coming out of next year's reduced budget for municipal support? It's a significant chunk of change, and I'm sure the municipalities are wondering at what point they're going to receive it.

Mr. Snelgrove: Mr. Chairman, we made a conscientious effort last year to move money out, knowing it would be going to the municipalities eventually but knowing that if we needed to access federal dollars, it wouldn't be considered existing money. If we had put it all in MSI up front, the feds would not qualify for it now. I'm telling stories out of school. We probably won't get any money ever again. Strike me dead. Whatever. The fact is we took it out when we were able to meet the requirements, then we were able to replace it, and as our budget went, we were able to top back up to make sure that everyone still received their equitable funding. You know, a little bit of smoke and mirrors in how we dealt with the federal programs, but that basically was taken out with the purpose of being replaced when we could.

The Deputy Chair: The hon. member.

Mr. Chase: Thank you. So that I completely understand: the idea was to set aside as much money as we possibly could with the hope, anticipation, expectation that the federal government would match our designated savings?

Mr. Snelgrove: No. It was so that whatever program criteria they came up with, they couldn't get us on a technicality. We really in

Alberta are spending near what we can, from a government or from a supported point of view, in infrastructure. So we needed to make sure that we were, one, doing projects that we needed to do. We're one of the few provinces that actually has a capital plan that goes a few years out, so we felt it was very important to make sure that that capital plan, that had been prioritized when there wasn't someone looking over your shoulder and telling you to spend, spend, spend, was put in place. So we took the money out, anticipating that if we had to use it to match federal and municipal funds, we would have available room in our capital plan in our existing finances.

The Deputy Chair: The hon. member.

Mr. Chase: Thank you. In conclusion, while this was a rushed process, I do appreciate the answers that have been provided by the ministers. In particular, I want to thank the President of the Treasury Board for filling in in such a substantive way. Thank you very much.

**5:50 Vote on Supplementary Supply Estimates 2009-10
General Revenue Fund**

Agreed to:

Advanced Education and Technology	
Expense and Equipment/Inventory Purchases	\$178,666,000
Nonbudgetary Disbursements	\$30,000,000
Culture and Community Spirit	
Nonbudgetary Disbursements	\$2,888,000
Employment and Immigration	
Expense and Equipment/Inventory Purchases	\$176,751,000
Health and Wellness	
Expense and Equipment/Inventory Purchases	\$243,191,000
Housing and Urban Affairs	
Expense and Equipment/Inventory Purchases	\$73,632,000
Municipal Affairs	
Expense and Equipment/Inventory Purchases	\$15,341,000
Sustainable Resource Development	
Expense and Equipment/Inventory Purchases	\$150,508,000
Tourism, Parks and Recreation	
Expense and Equipment/Inventory Purchases	\$8,590,000
Capital Investment	\$4,731,000
Transportation	
Expense and Equipment/Inventory Purchases	\$73,827,000

Mr. Denis: I would move that we rise and report the estimates.

[Motion carried]

[Mr. Mitzel in the chair]

Mr. Griffiths: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again. The following resolutions relating to the 2009-2010 supplementary supply estimates for the general revenue fund for the fiscal year ending March 31, 2010, have been approved.

Advanced Education and Technology: expense and equipment/inventory purchases, \$178,666,000; nonbudgetary disbursements, \$30,000,000.

Culture and Community Spirit: nonbudgetary disbursements, \$2,888,000.

Employment and Immigration: expense and equipment/inventory purchases, \$176,751,000.

Health and Wellness: expense and equipment/inventory purchases, \$243,191,000.

Housing and Urban Affairs: expense and equipment/inventory purchases, \$73,632,000.

Municipal Affairs: expense and equipment/inventory purchases, \$15,341,000.

Sustainable Resource Development: expense and equipment/inventory purchases, \$150,508,000.

Tourism, Parks and Recreation: expense and equipment/inventory purchases, \$8,590,000; capital investment, \$4,731,000.

Transportation: expense and equipment/inventory purchases, \$73,827,000.

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

Hon. Members: Concur.

The Acting Speaker: Opposed? So ordered.

The hon. Deputy Government House Leader.

Mr. Denis: Thank you very much, Mr. Speaker. Given the lateness of the hour, I would move that we call it 6 o'clock and adjourn until 1:30 tomorrow.

[Motion carried; the Assembly adjourned at 5:56 p.m. to Thursday at 1:30 p.m.]

Table of Contents

In Memoriam	
Mr. Frederick Haliday Peacock	143
Introduction of Guests	143, 154
Members' Statements	
Family Day	143
Imperial Sovereign Court of the Wild Rose	144
Making Space for Children Innovation Fund	144
Vancouver 2010 Olympics	144
Grande Prairie Area Schools	145
Reading Milestone at C.J. Schurter School	145
Oral Question Period	
Surgery Wait Time Reduction Strategy	145
Provincial Borrowing	146
Centralization of Cytology Lab Services	146
Activity-based Funding Model for Hospital Care	147
Environmental Protection	148
AltaLink Electricity Transmission Line	148
Support for the Horse-racing Industry	148
Crime and Safe Communities	149
Livestock Industry	149
Government Spending	150
Funding for School Boards	150
Signage on Highway Rights-of-way	151
Sour Gas Well Emission Monitoring	151
Research and Technology Commercialization Funding	152
Country of Origin Labelling	152
Support for Family Farms	153
Health Care Funding	153
Presenting Petitions	154
Introduction of Bills	
Bill 201 Workers' Compensation (Firefighters) Amendment Act, 2010	154
Bill 202 Mandatory Reporting of Child Pornography Act	154
Tabling Returns and Reports	154
Committee of Supply	
Supplementary Supply Estimates 2009-10	
General Revenue Fund	154

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