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The 27th Legislature
Third Session

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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.

Monday, November 1, 2010

[The Speaker in the chair]

Prayers

The Speaker: Good afternoon. Welcome.

Let us pray. At the beginning of this week we ask for renewed strength in the awareness of our duty and privilege as Members of the Legislative Assembly. We ask for the protection of this Assembly and also the province we are elected to serve. Amen.

Hon. members, I would now invite Mr. Paul Lorieau to lead us in the singing of our national anthem. Please join in in the language of one's choice.

Hon. Members:

O Canada, our home and native land!
True patriot love in all thy sons command.
With glowing hearts we see thee rise,
The True North strong and free!
From far and wide, O Canada,
We stand on guard for thee.
God keep our land glorious and free!
O Canada, we stand on guard for thee.
O Canada, we stand on guard for thee.

The Speaker: Please be seated.

Introduction of Visitors

The Speaker: The hon. Deputy Premier.

Mr. Horner: Thank you very much, Mr. Speaker. I rise to introduce to you and through you to all members of the Assembly His Excellency Manuel Schaerer Kanonnikoff, the ambassador of the Republic of Paraguay. Also accompanying the ambassador is Mr. Branislav Popovic, the honorary consul in Calgary. This is His Excellency's first official visit to Alberta.

As the minister in charge of advanced education I was very pleased to discover that Alberta and Paraguay share a number of relationships based on learning as the Alberta Research Council has partnered with Paraguay's Moisés Bertoni Foundation to apply expertise in land planning. As a result of this partnership they've developed a land management process and a plan to improve the ecological, social, and economic capacity in one of Paraguay's most sensitive areas. We had a delightful lunch this afternoon, Mr. Speaker, where we were able to speak of a number of things, including the agricultural sector, the energy sector, and a number of the things that we are looking forward to working together on.

I would now ask that His Excellency and the honorary consul please rise in your gallery, Mr. Speaker, and receive the traditional warm welcome.

The Speaker: The hon. Minister of International and Intergovernmental Relations.

Ms Evans: Well, Mr. Speaker, I'm thrilled today to introduce the members of the EU delegation that are with us. In most of their homelands they would be going to bed about now, but they're coming here to take part in this Legislative Assembly and to observe our processes here. I'm thrilled to introduce the chair for the delegation for relations with Canada, Philip Bradbourn; Elisabeth Jeggle, who is vice-chair for the delegation; as well as Sebastian

Bodu, Ioan Enciu, Antonyia Parvanova, Anna Rosbach, Timo Soini. Accompanying them are Mr. Giovanni di Girolamo, and we have other members of the party that are here today. Mr. Speaker, they've come all this way to answer an invitation to come up and see Canadian oil sands and judge for themselves, and I give them full marks for all their meetings and their initiative today. Please join me in honouring our delegation. If they would please rise.

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

Mr. Vandermeer: Thank you, Mr. Speaker. I have a number of introductions today of people here to help build awareness of prostate cancer. I would like all these people to rise in the galleries following the introduction so they may receive the traditional warm welcome of this Assembly.

First of all, in your gallery, Mr. Speaker, I would like to introduce Mr. Steve Jones, president of Prostate Cancer Canada; Mr. Irv Kipnes, co-chair of the leadership team for the Edmonton Campaign for Prostate Health, supporting the University Hospital Foundation and the Alberta Cancer Foundation. There is also Arni Goodman, chair of the Edmonton Prostate Cancer Canada network, and with them our former colleague and current Edmonton city councillor Ed Gibbons, who has successfully won his battle with prostate cancer.

Mr. Speaker, also in the members' gallery are Craig Macdonald, president of the Alberta Firefighters Association, and Brad Hoekstra, the association secretary, who are here to show their support of Movember, which I will speak about later. Most importantly, Mr. Speaker, these guests are joined by more than 30 prostate cancer victims, survivors, and advocates who are here to add their significant voices to the fight against the disease.

I would ask all our guests to rise in the galleries and receive our traditional warm welcome.

Introduction of Guests

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

Mr. Amery: Thank you, Mr. Speaker. It is my pleasure to introduce to you and through you to all members of the Assembly 45 students from the Almadina ESL charter academy located in my constituency, Calgary-East. Mr. Speaker, the Almadina school is home to students from over 30 countries around the globe. Almadina has come a long way since its creation, producing good results, and was rated in the top 10 by the Fraser Institute. Mr. Speaker, the students are accompanied today by their teachers, Mr. El-Masri, Mr. Elladen, and Mrs. Nagassar. They are seated in the members' gallery. I would like to ask them to rise and receive the traditional warm welcome of the Assembly.

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

Mr. Olson: Thank you, Mr. Speaker. It's my great honour to introduce some students from Wetaskiwin who are here this week for School at the Legislature. They're here from Centennial school, and they are making a significant investment of time this week to be here and learn about how government operates. I'm really happy that they can be here and see us in action. I think that in doing that, they are going to become leaders of today, not only tomorrow. They're going to go home and apply some of the things that they've learned here, I hope. They are led by their teachers, Mrs. Joann Murphy, Mrs. Dianne Zielke, Mrs. Joan Fitzner, and parent leaders Myrna Peters and Trisha Wildcat. They're in the public gallery. Please rise and receive the traditional warm welcome of the Assembly.

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

Mr. Prins: Thank you, Mr. Speaker. It's really an honour and a pleasure to introduce to you and through you to all members a group of 24 grade 9 students from the Ponoka composite high school. I met with them earlier today, and they are a very bright group of kids that ask good questions and tough questions. I would say that they are very well taught. They are accompanied by their teachers, Mr. Brady Teeling and Miss Courtney MacMillan. They're in the public gallery. I'd ask them to rise and receive the warm welcome of this Assembly.

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

1:40

Mr. Anderson: Thank you, Mr. Speaker. It's an honour and pleasure to introduce to you and through you to this Assembly 15 students and four teachers from Airdrie's own Airdrie Koinonia Christian school, or AKCS for short. They are led by their teachers Mrs. Beth Griesel, Mrs. Laura Driedger, Mrs. Dorothy Martin, and Mr. Al Strohschein. AKCS is consistently one of this province's highest performing schools, and the calibre of the graduates it produces is second to none. The middle-class Alberta parents of these students sacrifice much of their time and finances so their children can learn in a faith-promoting environment, which helps these students become highly contributing citizens of our province. I'd ask these students and their teachers to now stand, rise, and receive the warm welcome of this Assembly.

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

Dr. Swann: Thank you very much, Mr. Speaker. It gives me a great deal of pleasure to introduce to you and through you to the House another new Liberal caucus member, Tyler Mudrey. He joins our team this fall as administrative assistant. He's been a great help to us already this week, and our staff always do their best to support our caucus in their role as the Official Opposition. I'd ask Tyler to stand and receive the warm greetings of the Legislature.

The Speaker: The hon. leader of the New Democratic caucus.

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to rise today to introduce to you and through you to all Members of the Legislative Assembly the NDP caucus sessional researcher, Mr. Dashiell Brasen. Named for famous detective novelist and activist Dashiell Hammett, Dashiell was born in Toronto and raised in Edmonton-Strathcona. He received a bachelor of arts in philosophy from the University of British Columbia in Vancouver this past May. He is interested in global art, culture, food, film, music, social justice, and sustainability. He remains, despite all, a lifelong fan of the Oilers. I want to welcome Dashiell to the NDP caucus and to the Legislature. He's seated in the members' gallery, and I would now ask him to rise and receive the traditional warm welcome of this Assembly.

Members' Statements

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

Prostate Cancer Awareness

Mr. Vandermeer: Thank you, Mr. Speaker. Hon. members may have noticed something a bit different about me today for I have temporarily abandoned the moustache I have had for years. It was

shaved off this morning on live television, on *Breakfast Television*. I have done so for an excellent cause. Today is the beginning of Movember, formerly known as November, when men start with a clean shave and grow moustaches to raise awareness and funds for prostate cancer. I would like to thank hon. members for wearing Prostate Cancer Canada's ties and scarves so that you, too, may show your support. I have to say you look wonderful.

Prostate Cancer Canada funds research and support groups all over the country and is the beneficiary partner of Movember in Canada. Today is also an opportunity to support the Edmonton Campaign for Prostate Health, which is in support of the University Hospital Foundation, the Royal Alexandra Hospital Foundation, and the Alberta Cancer Foundation. They have been working diligently for three years to raise enough money to build a world-class research and clinical facility right here in Edmonton.

Mr. Speaker, prostate cancer affects 1 in 6 men, statistically about eight of us in this Chamber. No one knows that better than the hon. Member for Little Bow, who has been successfully battling this affliction. As he will tell you, it is critical for men to understand the merits of early detection through PSA blood testing and for women who have men in their lives to remind them to do so. In my role as chair of the Cabinet Policy Committee on Health I know that prevention and early detection save lives and save money in our health care system, so I am taking up this challenge today. I am going to grow back my moustache, and I'm taking pledges to do so. On behalf of all the victims, survivors, and advocates gathered here today, I hope you will wear your ties and scarves with purpose.

Thank you, Mr. Speaker.

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

Alessandro Simpatico

Mr. MacDonald: Thank you, Mr. Speaker. Two weeks ago Albertans gathered to celebrate the remarkable achievements of our young people. The Great Kids awards recognized 16 great kids from ages 5 to 18, passionate and generous young people from all across the province. Today I'd like to give special attention to one of the award recipients, 11-year-old Alessandro Simpatico, who lives in our constituency of Edmonton-Gold Bar and attends Holyrood elementary school. Alessandro was born with kidney disease and has been taking medication to control the condition all his life. He's been operated on 13 times, with more surgeries to come.

Alessandro has faced his disease with incredible courage. Even more impressive is that at a young age he understands the importance of helping others. Every year Alessandro puts together a team of family and friends, known as Alessandro's Peeps, to participate in the Kidney Foundation's fun run and walk. This young man's team, now close to 60 members, has raised \$20,000 for kidney disease so far, an astonishing accomplishment for such a young man.

Alessandro isn't even a teenager yet, but he's already inspired dozens of people to work together in pursuit of a cure for kidney disease. I have no doubt that Alessandro will grow up to become an even more amazing adult. I wish him, his parents, family, and friends all the best in the years to come. I'm sure they'll meet every challenge.

I would like to thank the Premier and the minister of children's services for presenting the awards two weeks ago Saturday. It was a very special occasion for the 16 winners and their families.

Thank you.

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

One Book, One Calgary Program

Ms Woo-Paw: Thank you, Mr. Speaker. Reading is an essential part of our lives. It teaches, guides, encourages, informs, entertains, soothes, and connects us to each other and to the world. Calgary public library is launching One Book, One Calgary, a monthlong city-wide book club to create a shared experience through the celebration of reading, literacy, and civic engagement. To quote Mary McGrory of the *Washington Post*: “The idea is that the city that opens the same book closes it in greater harmony.”

Starting this Thursday, November 4, Calgary public library and author Aritha van Herk invite Calgarians to read *Mavericks: An Incurable History of Alberta* and to come together to share their passion, opinions, and civic pride in this city that we all call home. One Book, One Calgary is one of the most ambitious programs ever undertaken at Calgary public library, engaging civic partners, leadership organizations, artists, and entertainers to create city-wide maverick celebrations.

On the 17th of November Cowtown Creativity presents Alberta Ballet, Calgary Opera, One Yellow Rabbit theatre project, and EPCOR Centre for the Performing Arts to show how their creativity fuels original works and to discuss the essential role of creativity in building a great city. Heart of the City will celebrate the importance of Calgary’s nonprofit sector. Maverick Leadership: Framework for Future on November 26 features Volunteer Calgary, the Calgary Chamber of Voluntary Organizations, Youth Central, and other individuals. One hundred years of Calgary’s Chinatown, past, present, and future, on November 30 celebrates our city’s cultural diversity. *Mavericks in the 21st Century Economy* looks forward from three distinct vantage points: Calgary Economic Development, Calgary Chamber of Commerce, and entrepreneurs.

One Book, One Calgary is how we’re going to create a shared experience amongst Calgarians, so come join the conversation this November.

Thank you.

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

KidSport Calgary

Mr. Rodney: Thank you, Mr. Speaker. I’m honoured to rise today to share the incredible story of KidSport Calgary, which helps families overcome barriers that prevent some children from getting into the game, gym, or studio. Focusing on economic, social, and educational needs, KidSport Calgary promotes sport as a tool to develop strong and healthy communities.

Since its inception in 1995 KidSport Calgary has never denied support to any qualified applicant. It has distributed well over \$3 million to help more than 15,000 young athletes to play in more than 50 organized sports over the past 15 years. Of the 175 chapters across Canada it is the most successful in terms of funds distributed and families assisted. However, since 2007 the number of young athletes supported has doubled while donations have risen by less than 6 per cent. Despite the challenges of balancing services and support with the need to raise more funds, I’m pleased to announce that KidSport Calgary is committed to getting more young athletes off the sidelines, building community and social relationships to make programs more readily available, and reaching new levels of financial stability.

1:50

Mr. Speaker, I’m proud and humbled to serve as honorary chair of KidSport Calgary, and I’d like to publicly thank our staff, Mark Kosak and Kaisa Christie, as well as our board chair, Ryan Proce-

viat, along with our directors: Bill Hopkins, Melina Dharma-Wardene, Simon Brockett, Beth Gerrard, Chris Protti, Devon Smibert, Joe Tucker, and Amanda Stastook.

Mr. Speaker, I strongly encourage all Albertans to visit to whatever extent they can kidsportcalgary.ca. You never know which contributing citizen, Olympian, professional athlete, or community leader you might be assisting.

Thank you, Mr. Speaker.

Oral Question Period

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

Additional Beds to Relieve Emergency Wait Times

Dr. Swann: Thank you very much, Mr. Speaker. While Albertans wait for 20 hours in emergency rooms to get a hospital bed, there are hundreds of closed beds sitting empty, the result of this government’s mismanagement. Albertans are frustrated because they see new hospitals being built, new additions, but the number of beds does not change, and the wait-lists only get worse. My questions are for the minister of health. Is opening the emergency ward at the East Edmonton health centre included in the minister’s plan to reduce emergency room wait times?

Mr. Zwozdesky: Mr. Speaker, that’s a very good question, and I’m happy to take it under direct advisement and have a look at if things can be accelerated there. At the moment the East Edmonton centre is scheduled for a phased-in approach. That’s always been the case. We know that building today with shelled-in space is a far better way to plan for the future, and we’re looking at that in the medium term of the four different phases I explained last week.

Dr. Swann: Mr. Speaker, given that there were 140 beds boarded up at the Peter Lougheed hospital last year following an expansion, how many of the beds at the Lougheed is the minister going to order opened?

The Speaker: The hon. minister.

Mr. Zwozdesky: Thank you, Mr. Speaker. I’ve had that discussion as well with Alberta Health Services. In fact, it goes back a few months now since we started that particular discussion because there were some beds that closed as the same number of beds opened in the east wing, as it’s called, at the Peter Lougheed Centre. What I’ve asked them to do in the immediate and short-term time frames, which are between now and Friday for immediate and going on into the middle of November and up until Christmas, is to take a look at whether or not we could open up more transition beds exactly at that site. I said the same thing about the Royal Alex.

Dr. Swann: Well, I’m not sure about transition beds, Mr. Speaker. We do need in-hospital beds.

Again to the same minister another suggestion. There is space for over a hundred beds at the closed women’s pavilion at the Royal Alex. Will the minister order that these be opened to reduce pressure on the emergency room?

The Speaker: The hon. minister.

Mr. Zwozdesky: Yeah. Thank you, Mr. Speaker. Transition beds are something in the immediate zone. What I mean by immediate time zone is things that can be done within days, where you might

be able to recruit faster or you might be able to divert nurses, LPNs, and other types of care to a site. That's exactly what I've asked them to do at the Royal Alex. It's a good thing that the Lois Hole hospital opened, and it's a good thing that we have some beds there that we might be able to work with. AHS is exploring that possibility right now and has been since last week.

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

Nursing Recruitment

Dr. Swann: Thank you, Mr. Speaker. Last year Alberta Health Services paid out \$23.6 million in severance to 448 nurses; \$23.6 million to buy out nurses, and now we're short-staffed and hiring again. This is the definition of mismanagement. To the minister: what is the total number of nurses that will have to be hired to staff the mysterious 250 beds that he announced two weeks ago?

Mr. Zwozdesky: Mr. Speaker, let's make it clear that things have changed very significantly since last year. Last year Alberta Health Services was looking at a \$1.3 billion deficit, so they had to take a look at a number of different areas. Then in January, February, and since my time, I'm happy to tell you, in fact, our government has taken over the full responsibility for that \$1.3 billion. We've brought in a five-year funding commitment, and Alberta Health Services has a whole new set of parameters under which to work going forward.

The Speaker: The hon. leader.

Dr. Swann: Thank you, Mr. Speaker. How many of these positions will be permanent, full-time positions so that Albertans may know that two years down the road these beds may still be open?

Mr. Zwozdesky: Mr. Speaker, that's precisely the point. Now that we have a five-year commitment of funding with predictable, stable dollars, better longer range planning is able to occur for the first time ever. Typically it's been on an annual basis. That's no longer the case. We now have a five-year funding plan. We're going to stick to it, and we're going to make sure Alberta Health Services sticks to it. In terms of the specifics you might want to put in a motion for a return, hon. member. I'll be happy to answer it.

Ms Blakeman: Oh, you didn't even answer the question. How shameful. Come on, you guys. Yap, yap, yap, and no answers.

Dr. Swann: That's why it's called question period.

What is going to be the cost of nursing overtime due to this minister's rushing out a plan to open more beds? What is going to be the cost of nursing overtime?

Mr. Zwozdesky: Mr. Speaker, I'll be happy to take a look at that and see if we can get the exact dollars and pennies involved. The important thing is that we are responding quickly. Alberta Health Services is reacting and responding equally quickly so that we can help emergency doctors and, in turn, help patients who deserve, require, and will get the immediate care that they need. Let's keep in mind that there are a lot more good things in the health system today than some of those things that are making the press lately.

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

Bitumen Upgrading

Dr. Swann: Thank you, Mr. Speaker. Saskatchewan's potash resource company faces foreign takeover, and Premier Stelmach has publicly opposed the sale. Saskatchewan's potash community thanks the Premier for all his support. Albertans, on the other hand, are still left waiting for this government to support the bitumen industry upgrading in Alberta. According to his own party the Premier has failed to encourage bitumen upgrading in the province of Alberta. To the Minister of Energy: why has the government failed to meet its own targets for bitumen upgrading in the province so far?

Mr. Liepert: Well, Mr. Speaker, I don't know who the Leader of the Opposition is quoting when he makes those statements because that, in fact, is not correct. I haven't seen anywhere where anyone is saying that this government has failed. What people are saying is that we need to ensure that we get maximum value out of our resources. We are currently in the midst of negotiations with North West Upgrading, as most members of this House will know. That, I believe, Mr. Speaker, will set a template to determine what the going-forward process is under our BRIK program.

Dr. Swann: Well, since he didn't answer the question, I'll ask it again. Why have you failed to meet your own targets, Mr. Minister?

Mr. Liepert: The reason I didn't answer the question, Mr. Speaker, is because the question was irrelevant because we are meeting our own targets. It's a question of whether we're going to meet our targets 20 and 30 years down the road. As I said in my first answer, the Leader of the Opposition is basing his question on misinformation, so I'll answer the question based on information that's true.

Dr. Swann: Mr. Speaker, will this government increase the proportion of upgrading done in Alberta this year? Yes or no?

Mr. Liepert: Well, first of all, Mr. Speaker, we have to recognize that a significant portion of our bitumen is already being upgraded. It's being upgraded through upgraders that were constructed by the private sector over a number of years. Now, the economics have changed in the last few years. Yes, a number of investments that were going to go into upgraders are not going ahead, but that's a decision made by the private sector. If the hon. leader is suggesting that the government should go in and build upgraders in this province, we philosophically have to disagree.

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

Health System Governance

Mr. Hinman: Thank you, Mr. Speaker. Our biggest mistakes in life are often the ones resulting from our failure to admit and correct our first mistakes. Our long, drawn-out royalty fiasco is a prime example. We cannot afford to do this with health care. This government has been focused on centralizing control when it should be focused on outcomes through accountability. Failure to reverse the new royalty framework before its implementation cost Albertans dearly. Failure to give decision-making authority to our hospitals is costing people their lives. To the Deputy Premier: how much more pain and suffering will Albertans endure before you correct the mistake of centralizing health care and return administration to the local level?

The Speaker: The hon. Deputy Premier.

Mr. Horner: Thank you. There have been a number of very positive outcomes from what we have been working on over the last several years in health care, not the least of which is having a living laboratory to increase the results from research and as well to increase the delivery mechanisms that we have for patients in Alberta. So, Mr. Speaker, I don't agree with the hon. member.

Mr. Hinman: Again to the Deputy Premier: will you see that there is one manager in charge of every hospital who has authority and the mandate to make decisions about a true team delivery of health care in their own facilities?

2:00

Mr. Horner: Mr. Speaker, the current structure that we have across this province already has a system in place for that.

I'm sure the hon. minister of health would like to respond with some more of the positive things that are happening in our health care system.

Mr. Hinman: To the Deputy Premier again: will you set some real performance measures for these hospital administrators, that they will be held accountable through publicly available performance reports? Answer the question.

Mr. Horner: Well, Mr. Speaker, I'm quite certain that the minister of health would like to answer that question about the performance reports.

The Speaker: The hon. minister.

Mr. Zwozdesky: Thank you very much, Mr. Speaker. I've indicated in this House and I'll indicate again that we have the five-year funding commitment. The five-year action plan is coming out very soon, and the companion piece to that will be specific performance measures. Secondly, I've already sent a directive to Alberta Health Services, after speaking with them and so on, to make sure they understood what I was asking for, to get exactly what the hon. member is looking for: some public reporting on a per individual site basis of EIPs and other numbers relative to emergency care.

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

East Edmonton Health Centre

Mr. Mason: Thanks very much, Mr. Speaker. The crisis in ER wait times has continued to grow even as the government failed to act on a number of promises it made to improve the situation. One such unkept promise was the establishment of an urgent care centre in east Edmonton, which would take the pressure off the Royal Alex hospital ER, one of the busiest in the province. Given that the urgent care centre would divert up to 34,000 cases from the Royal Alexandra emergency room each year, can the minister tell us why nearly two years later the urgent care centre is still not open?

Mr. Zwozdesky: Mr. Speaker, I indicated at the time that we were there cutting the ribbon – and I know there were a few members from other parties that were there as well – that this was planned as a staged, phased-in approach. The additional services that are required will be coming, but they'll be coming in that medium to longer term basis; in other words, over the next year to maybe two and a half years. In the meantime what we're dealing with are some immediate strategies. That's why we have the four-pronged

approach that looks at things like the discharge protocol and increasing home care funding and so on.

Mr. Mason: Mr. Speaker, it was not planned as a phased-in approach. I was involved with the people that were planning and building this because it's in my constituency. It was supposed to open nearly two years ago. The minister is wrong. He's wrong. What happened is they cut the funding. They didn't open it. In the meantime the Royal Alexandra hospital emergency room is backed up to the gunwales, and you have failed to take action. It was not planned, Mr. Minister. Why don't you tell us the real story?

Mr. Zwozdesky: Well, Mr. Speaker, that is the real story since Alberta Health Services took over. That's the only plan that I'm aware of, and that's the plan that we're proceeding under. There are a number of projects that had to be staged, phased in, or delayed because of the global economic downturn, the worst to hit this province, I might add, since 1930. But we've survived it thanks to the brilliance of the sustainability fund as brought in by our Premier and this government.

The Speaker: The hon. member.

Mr. Mason: Thanks very much, Mr. Speaker. This is indeed frustrating when the minister is not aware of this. Given that it would only cost \$9 million to fully staff this urgent care centre, that was designed to take the pressure off the emergency room at the Royal Alex, can the minister commit to coming up with a mere \$9 million and get this thing open before the new year? Yes or no?

Mr. Zwozdesky: Mr. Speaker, we have a facility there today that's valued at well over \$43 million. It does provide a number of services. It's approximately 80 per cent occupied today. It's performing great work for the community because that was deemed to be the first priority: provide community-based health-type information services, family clinics, and so on. So that's what's going on there. Now, as part two we'll look at the urgent care needs, the types of things that the hon. member is asking for. That's the commitment, and that's what we're doing.

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

Manufacturing Outsourcing for Kearn Lake Project

Mr. MacDonald: Thank you, Mr. Speaker. This government has failed to protect the competitive advantage of Alberta's steel fabrication industry and the workers in it. They have allowed local jobs to be exported overseas by Imperial Oil to South Korea while we've had idle shops and workers here in this province. To the minister of finance: can Imperial Oil deduct the \$250 million cost of this deal and the total cost of transporting the steel modules from South Korea through the U.S. north to Fort McMurray for . . .

Dr. Morton: Mr. Speaker, this is the same question that the hon. member asked a week ago. The answer is the same. When that bid was let, there were not idle shops in Alberta. Everyone was fully employed here. You couldn't find anybody to even give a contract to. As I said last week, apparently he's still opposed to the free trade agreement and free trade in general. This is an exporting province. We supported the free trade agreement, and we do it because it keeps people working in a strong economy.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. That is not true.

Again to the same minister: can Imperial Oil deduct the cost of necessary upgrades to roads and bridges in Montana and in Idaho from the royalty bill here in Alberta? Yes or no?

Dr. Morton: Mr. Speaker, the hon. member just said, "That is not true." What's not true? That we weren't at full capacity from 2005 to 2008? That the economy of this province hasn't almost doubled since the adoption of the free trade agreement? I recommend the hon. member freshen up on economics.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the minister of finance. At the time that deal was set, unemployment in Alberta in the steel fabrication industry was at an all-time high and our shops were idle, and you know it.

Now, my third question is: when you were running for leader of the Progressive Conservative Party in 2006, did you get any donations from Imperial Oil for your leadership campaign? Yes or no?

Dr. Morton: Those questions shouldn't even be asked, much less answered, but just for the hon. member, the answer is no.

The Speaker: The hon. Member for Drayton Valley-Calmar, followed by the hon. Member for Calgary-McCall.

Provincial Sales Tax

Mrs. McQueen: Thank you, Mr. Speaker. Every few months or so the issue of a provincial sales tax arises, and this is especially true as budget deliberations are taking place. I've spoken with many constituents over the last two and a half years and again this past weekend at our AGM in Calgary. I spoke with many delegates who have heard time and again that the Premier has said no to the possibility of a provincial sales tax. They do not want it, and I do not want it. My question is to the Minister of Finance and Enterprise. Can you clearly, once and for all tell Albertans now whether you or your ministry is considering the implementation of a provincial sales tax in Alberta?

Dr. Morton: Mr. Speaker, the short answer is no, the medium answer is no, and the long answer is no. The Alberta government has no intention whatsoever of introducing this. The Premier has been unequivocal on numerous occasions: there's no such intention or plan. This is just a desperate fundraising trick by the fourth party, or whatever they are, to raise some money. They have to cancel their own fundraising dinner, so they're using tricks.

The good news here, Mr. Speaker, is that the Alberta Taxpayer Protection Act ensures no sales tax until a referendum. Albertans will have the final word on whether there will ever be a sales tax in this province.

Mrs. McQueen: Finally, Mr. Speaker, to the President of the Treasury Board. I understand that last year and again this year you met with stakeholders to discuss budgeting and spending plans for the future. Have you been hearing from them about the idea of a sales tax? The folks that I speak to are not in favour of a provincial sales tax in Alberta.

The Speaker: The hon. President of Treasury Board.

Mr. Snelgrove: Thank you, Mr. Speaker. We have in the last couple of years engaged a process of bringing in a diverse groups of stakeholders from across the province to talk about our budget. We talk about more spending. We talk about less spending. We talk about more taxes, less taxes. More importantly, we listen to them, and through that process we brought forward a budget that Albertans overwhelmingly supported. Only two groups, as the finance minister has said, seem to be determined to talk about a provincial sales tax: media that are desperate for a story and a wild Alliance party that's desperate for money.

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

Infrastructure Capital Planning

Mr. Kang: Thank you, Mr. Speaker. In 2002 this government agreed to develop a plan for maintaining its schools, hospitals, roads, and other infrastructure. Five years later the Auditor General reported that the government had not developed any plan. In 2007 the Auditor General recommended developing objectives, timelines, and targets. Three years later the Auditor General is reporting no meaningful progress on this and no objectives, no timelines, no targets, no public reporting. To the President of the Treasury Board. One of the priorities in your mandate letter from the Premier is building tomorrow, but it seems that this government is badly stuck in yesterday. How can Albertans trust this government to build for tomorrow when it cannot get its house in order today?

Mr. Snelgrove: Mr. Speaker, one thing that Albertans can be very proud of is one of the few provinces that actually has a long-term capital plan, a fully funded long-term capital plan with input from all over Alberta. The Auditor General has stated that there is more work to do to make sure that our members have all the information needed to make sure that we're getting the best value for our money, but our Premier has committed the ministers of Infrastructure and Transportation, and all the ministers spending capital have committed to a process that recognizes the requirement for long-term sustainability, maintenance, and dependability.

2:10

The Speaker: The hon. member.

Mr. Kang: Thank you, Mr. Speaker. That's why we've got long wait lines at the emergency hospital. I'd rather have infrastructure like airport tunnels not being built.

To the minister again: what kind of example are you setting for the rest of the government when there is no meaningful progress to maintaining the infrastructure that drives Alberta's growth?

Mr. Snelgrove: Mr. Speaker, it is not just as simple as build a hospital and open immediately. It takes millions of dollars in staffing and training to do it. If the hon. member would just take two minutes off his fixation about Calgary tunnel and go drive around Calgary or drive anywhere in Alberta and see the hundreds of millions of dollars being invested in health infrastructure, he would have to change his tune.

The Speaker: The hon. member.

Mr. Kang: Thank you, Mr. Speaker. We are talking about the tunnel vision on their side of the House, not with me. That's a very vital project for Calgary and for southern Alberta.

Now to the Minister of Infrastructure: why is this government

continuing to neglect recommendations of the Auditor General with regard to its reporting obligations? Do you have some kind of hidden agenda, sir?

Mr. Danyluk: Well, first of all, Mr. Speaker, this government and our ministry have a consistent message in tracking the physical condition of schools, health facilities, and postsecondary institutions. Secondly, we agree with the Auditor General's report, and we have taken over the tracking of those facilities in 2009. In a five-year period we do track and monitor the buildings on a consistent basis, and we will continue to do that. It is our job, and we will do it.

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

Wetland Policy

Mr. Allred: Well, thank you, Mr. Speaker. My question is to the hon. Minister of Environment. In 2008, after extensive consultation with almost a thousand stakeholders, the Alberta Water Council submitted recommendations for a wetlands policy that included a nonconsensus goal of no net loss, meaning for every wetland loss one must be replaced. What is this government doing with this wetlands policy?

The Speaker: The hon. minister.

Mr. Renner: Well, Mr. Speaker, just this past weekend we had an opportunity to talk with a number of the significant stakeholders that will be working with us to fully flesh out this policy. We had a recommendation that came from the Alberta Water Council that provided us with a tremendous amount of detail and advice, and we have accepted all of the consensus recommendations. On one of the nonconsensus recommendations we have asked for some further review and further study.

The Speaker: The hon. member.

Mr. Allred: Well, thank you, Mr. Speaker. My first supplemental is to the same minister. Is this government developing a wetlands policy that considers economic impact to business over protection of wetlands?

Mr. Renner: Well, Mr. Speaker, unfortunately, this is one of those subjects that tends to take on a black-and-white or an either/or focus. Frankly, that's not the case in this instance, nor is it the case in most instances. What we are looking at is a way that we can maintain that kind of balance. How can we continue to have economic growth and protect the environment at the same time? That's why we're focusing on the functionality of wetlands and trying to develop a policy that will protect wetlands based upon function.

The Speaker: The hon. member.

Mr. Allred: Well, thank you, Mr. Speaker. Again to the same minister. Wetlands losses continue. We need consistent provincial direction for effective wetlands management. When will this government take meaningful action to protect Alberta's wetlands?

Mr. Renner: Well, Mr. Speaker, let me be clear to all members of the House that we do now have a wetlands policy. What we're doing is improving and increasing the value of that wetlands policy, so I can assure this member that there is ongoing protection of

wetlands. There will be ongoing protection of wetlands. What we're doing is developing a policy that will do it even better.

The Speaker: The hon. Member for Calgary-Varsity, followed by the hon. Member for Red Deer-South.

School Board Governance

Mr. Chase: Thank you, Mr. Speaker. The Minister of Education has created governance confusion regarding appointing school trustees. Over the past decade this government has undermined local school authority by firing the Calgary public board, formerly chaired by the sitting MLA for Calgary-Mackay, which included Danielle Smith, who is hoping for better electoral luck second time out. Most recently the entire board of the Northland school division was fired by this minister. To the minister: what's to stop you or a faction of a closely divided board from tipping the scales in their favour by stacking the board with short-leashed, subservient lapdogs?

Mr. Hancock: The public of Alberta, who looks for openness and accountability and transparency and process and understands the political process and the governance process, obviously, far better than this hon. member.

What we're talking about, really, is transforming education. When we're talking about transforming education, we're talking about what good governance looks like, not good government, not just the election of a board, which is one level of government in education, or the provincial government, which is another level of government in education, but a community governance model which will bring all voices to the table in understanding how we create the best opportunity for our students.

Mr. Chase: More and more we're seeing appointments, Mr. Speaker, as opposed to elections. Electoral process in this province is undermined. Who will decide which groups are sufficiently underrepresented to require an appointed trustee: school boards or the minister?

Mr. Hancock: Well, Mr. Speaker, nobody has yet decided that there will be any appointed trustees. What we're talking about is: what's the right kind of governance model which involves all those people whose voices should be heard to ensure that our children get the education they need? I would point the hon. member to the fact that right now you can appoint members to a board in certain circumstances. For example, where First Nations students are educated by a provincial board, there's an opportunity for that board to have a First Nation representative on the board if they wish to do so, and there's at least one board in this province that has taken that opportunity to do so.

Mr. Chase: And there's the Northland school division, where 24 First Nations or Métis representatives were fired by this minister.

To the minister: would the government support further undermining the democratic process by appointing people to municipal councils to speak for supposedly underrepresented interests? How is education any different?

Mr. Hancock: Well, Mr. Speaker, I'm extremely surprised because just before this question from this hon. member questions came from the other hon. members about what the Auditor General said about capital. What the Auditor General said about capital in Education is that he's surprised that a school was built that the school board

didn't own. I don't know what the hon. member would have expected me to do to a school board who built schools on property they didn't own and didn't open them for a year. I don't know what kind of accountability that hon. member wants, but if we need to have appropriate representation on boards, we'll have a discussion with the stakeholders, with the public, and with this House before anybody is appointed to a public board.

The Speaker: The hon. Member for Red Deer-South, followed by the hon. Member for Edmonton-Strathcona.

Harmonized Sales Tax Payments by Albertans

Mr. Dallas: Thank you, Mr. Speaker. In July of this year the provinces of British Columbia and Ontario replaced their provincial sales tax with the harmonized sales tax, or HST. Constituents are suggesting to me that some services purchased in Alberta are actually subject to this tax even though it's not an Alberta tax. My question is to the Minister of Finance and Enterprise. Is this true, and to what extent are Albertans being affected by the HST in Ontario and B.C.?

Dr. Morton: Mr. Speaker, unfortunately, it is true, and we're taking steps to remove it. Overall, most Albertans will be largely unaffected by this change in the HST in Ontario and British Columbia, but there are two areas where the HST is potentially being levied on Albertans. The first is when Albertans mail a parcel over \$5 to a province in which HST is being collected, such as Ontario or B.C., and the second, even more serious in my view, is that when an Albertan is purchasing a mutual fund or other financial service through a financial institution, the cost of HST to that financial institution may be passed along to the purchaser, including a resident of Alberta.

The Speaker: The hon. member.

Mr. Dallas: Thank you, Mr. Speaker. My first supplemental is to the Minister of Finance and Enterprise. Isn't it true that there are federal rules surrounding mutual funds that protect Albertans from having to pay HST?

2:20

Dr. Morton: Mr. Speaker, the federal rules allow mutual fund companies the flexibility to avoid passing on HST to residents of non-HST provinces like Alberta, but they do not require it. The fact is most of the brokers, most of the institutions are not doing that. It's important to consider this also in the larger context of retirement savings. Here we are working with the federal government to try to encourage Albertans and other Canadians to save money for retirement, and all of a sudden now they're going to start taxing it.

The Speaker: The hon. member.

Mr. Dallas: Thank you, Mr. Speaker. My second supplemental to the same minister: given that there are situations where Albertans are clearly and unfairly impacted by HST levied in other provinces, what is the minister going to do about it?

Dr. Morton: Mr. Speaker, I've sent not one, not two, but three letters to the Minister of Finance protesting against this effect on Alberta. I've indicated that it's completely unfair, that it's an accountability issue. You can't have taxation without representation. Many elections are fought on taxation. Is it too high, or is it too low? The principle of our government is that the government,

the tax collectors, have to be accountable to the people, the taxpayers. Here we have a situation where one government is collecting taxes from people in another province who can do nothing about it. It's unfair, and I'll continue to work to make sure it doesn't go any further.

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

No-net-loss Wetland Policy

Ms Notley: Thank you, Mr. Speaker. The range and frequency of this government's capitulation to big industry's every whim at the expense of long-term community sustainability is awe inspiring. After two years an expert panel came up with the plan aimed at protecting provincial wetlands, but at the eleventh hour reps from mining, oil, and gas balked and resorted to the tried-and-true method of going behind closed doors to their friends in the PC government. To the Minister of Environment: why have you sold out the majority of Albertans by abandoning the wetlands no-net-loss policy that the vast majority of your own panel recommended?

Mr. Renner: Well, Mr. Speaker, the fact of the matter is that this is always a difficult situation, to develop a policy that will serve all parts of the province. I think the difficulty that we faced was that we were asked to implement a policy that was, in effect, one size fits all, and one size doesn't fit all. So in that same report they indicated that in the long term they would like to see a function-based management system put into place, and we have agreed. We're now suggesting that we should be working with the stakeholders to determine how we would implement a function-based rather than a simplistic one for all.

Ms Notley: Well, Mr. Speaker, given that 23 of 25 expert representatives from industry, community, and environmental protection groups endorsed the plan and given that they reached this conclusion after studying the issue for over three years and consulting with over a thousand stakeholders, why won't the minister admit that he has backed down once again to his friends in big oil and mining and that his plan will compromise Alberta's water protection regime for generations to come?

Mr. Renner: Because it's not true, Mr. Speaker. The fact is that we had a report that came from an organization that is asked to try and reach a consensus. A consensus means that all of the affected parties are able to live with it. Some recognized that in some instances it's not everything that they wanted, but in other instances it is. In this particular case there was a nonconsensus. Not all of the parties could live with the results. It's up to us now to try and figure out a system that will allow all of the parties to be involved.

Ms Notley: Given that industry announced that it had successfully lobbied government to allow for continued industrial destruction of Alberta's wetlands last March, seven months before the minister had the courage to go public with this shameful decision, will the minister now admit that regardless of the majority acceptance of scientific evidence citing the need to maintain wetlands for Alberta's water sustainability, when mining and oil say, "Jump," the minister's only response will always be, "How high?"

Mr. Renner: Mr. Speaker, there was a total unanimous agreement within the room that I spoke to on Friday – it included industry; it included environmental organizations; it included municipalities –

that we need to do something. In the absence of a policy that would be a no-net policy, working towards something that is better than what we have right now is a laudable goal and is something that we can achieve. I think we need to move in that direction.

The Speaker: The hon. Member for Edmonton-Riverview, followed by the hon. Member for Cypress-Medicine Hat.

Fort Chipewyan Health Research Agreement

Dr. Taft: Thanks, Mr. Speaker. Last week the Premier was handed an air ticket to personally visit, I think for the first time, Fort Chip. In response the Premier said that he hasn't visited Fort Chip because he's waiting for a local chief to sign an agreement on health research. This is the first time I've heard of the Premier waiting for a local signature before he visits a community in Alberta. What involvement has the Minister of Aboriginal Relations had in developing this agreement, and would he table it in this Assembly?

The Speaker: The hon. minister.

Mr. Webber: Well, thank you, Mr. Speaker, and thank you, hon. member, for the question. It's not too often that I get questions from the opposition on aboriginal issues, so thank you for that. I've been up to Fort Chip on a couple of occasions, and I've met with Grand Chief Allan Adam regarding the LOI, the letter of intent, with respect to the health study. It's an ongoing process. There's a lot of debate, a lot of discussions over it, and we are working toward some type of an agreement.

The Speaker: The hon. member.

Dr. Taft: Well, thanks. Some type of an agreement. All right.

Let's try the Minister of Health and Wellness. Given that health concerns are the number one issue for the residents of Fort Chip, what role has the Minister of Health and Wellness played in drafting this agreement that we just heard about, and will he table it in the Assembly?

Mr. Zwozdesky: Mr. Speaker, I'll be happy to make that available once it's fully signed, but clearly we're not releasing something – and I'm sure they aren't either – until it has that final signature in place. In response to the first question, because I have the lead role on this file and have had for the past couple of years, I've been up there myself I think six times now. I've met with that leadership on a number of occasions, and a lot of progress has been made. But in fairness they wanted a little bit more time so that the chief could maybe sign off if that's his wish. He wanted to check with some elders. The Minister of Aboriginal Relations was integral to that meeting as well, as were the Minister of Environment and others. So good progress is in the works.

The Speaker: The hon. member.

Dr. Taft: Thanks, Mr. Speaker. Again to the Minister of Aboriginal Relations since he wants some more questions. Reflecting on what we've just heard, it would seem to be that it's this government's position that the ball is in the court of the First Nations to sign this agreement and that they're actually delaying and dawdling and being unco-operative. Are they?

Mr. Webber: Mr. Speaker, these are complex issues, and it takes time for us to develop some type of a baseline study. We continue

to work with the grand chief and with all the chiefs up in that area. Hopefully, in a short time we'll have something resolved there.

Thank you.

The Speaker: The hon. Member for Cypress-Medicine Hat, followed by the hon. Member for Calgary-Fish Creek.

Disaster Recovery Program for Flood Damage

Mr. Mitzel: Thank you, Mr. Speaker. This past summer the province experienced a number of severe weather events that hit residents hard, resulting in seven active disaster recovery programs across Alberta. I'm particularly interested in the largest disaster, across southern Alberta. My question is to the Minister of Municipal Affairs. I can say that emergency management responded immediately, but still my constituents are asking: why does it seem that the government just doesn't seem to understand or care about how they're being impacted by the floods during the emergency?

Mr. Goudreau: Mr. Speaker, southern Alberta was clearly the hardest hit, and we're very, very fortunate and relieved that no lives were lost. The government quickly activated its operations centre to co-ordinate the emergency response during the critical first hours and days after the event. There were a number of ministers that toured the area to see the damage first-hand so that we could get a sense of what needed to be done. Of course, we immediately began work on our disaster recovery program.

The Speaker: The hon. member.

Mr. Mitzel: Thank you, Mr. Speaker. To the same minister: as it's been over four months since the event and \$203 million was announced for southern Alberta, why hasn't all that assistance reached the people hardest hit by the flood?

Mr. Goudreau: Mr. Speaker, residents and farmers and our small businesses are our priority, especially in the hardest hit areas, areas like the community of Irvine. They do come first. To date 85 per cent of the residential applicants have received payments. As with most disasters we'll follow up with the municipal costs that are involved. Recognizing the severity of the situation, again in certain parts, under my direction we opened up an office in Irvine to deal directly with those affected.

The Speaker: The hon. member.

2:30

Mr. Mitzel: Thank you, Mr. Speaker. Given that I've heard from constituents that the disaster recovery program needs to be more responsive to the needs of flood victims and given that the standards and guidelines for recovery were never set up to address this never-before type of flood, will the program be reviewed?

Mr. Goudreau: Mr. Speaker, we always review our programs and have already made some very positive changes when it comes to the flood and flood damage. We didn't wait for the program to end. As an example, we removed the \$300,000 cap for assistance. We've eliminated the 20 per cent income requirement for farming operations. These changes are retroactive to July 1 and apply to all of our current applicants right across the province.

The Speaker: The hon. Member for Calgary-Fish Creek, followed by the hon. Member for Grande Prairie-Wapiti.

Medical Procedure Wait Times

Mrs. Forsyth: Thank you, Mr. Speaker. The Wait Time Alliance was created by Canada's leading medical association to address concerns the medical community had about growing wait times. In its most recent report card two provinces received a failing grade, Alberta being one of them. Why? Because this government failed to provide any data to the group. Not only is that an insult to the medical community, but frankly it's an insult to all Albertans. My questions are to the minister of health. Why didn't you provide the data to the Wait Time Alliance when you continually talk about being open and accountable to Albertans?

Mr. Zwozdesky: Mr. Speaker, I'll be happy to take a look into the details. I'm not sure what period in time is being requested or referred to here, but I will tell the hon. member that I'll have a look into that matter as soon as I leave the House.

Mrs. Forsyth: Mr. Speaker, I just don't know what to say.

Again to the same minister: when will you table a comprehensive list of wait times in Alberta so Albertans will have the real picture on how their health care system is performing?

The Speaker: The hon. minister.

Mr. Zwozdesky: Thank you. That's a good question. Mr. Speaker, as people here would know, we did have a wait-list registry that was up on the website, where people could go and look, for example, to see how quickly they could get in for a hip operation. Unfortunately, there were some computer difficulties, I'm told, that developed about a year ago, so the site had to be taken down, but one of the priorities for Alberta Health Services is to get it back up and functioning.

Secondly, I've also asked for public reporting on, specifically, emergency room wait times from Alberta Health Services on a per-site basis, and that is in motion as we speak.

Mrs. Forsyth: Mr. Speaker, again, we knew about the wait times. We knew about the computer glitch. That should be an emergency because it's urgent for Albertans to find out.

To the same minister: will you commit right here and right now to participating in the 2011 Wait Time Alliance report card?

Mr. Zwozdesky: Mr. Speaker, as soon as I have a chance to read it through and discuss it with the people who are delivering the service, I'll be happy to undertake the proper response to that question. But I want to make it clear that we have just gone through the single largest amalgamation in Canadian history, of 90,000 employees, and there were some bumps and bruises along the way. Those are being sorted out, including the wait-list registry.

Market Access to China

Mr. Drysdale: Mr. Speaker, in June the federal government announced that Canada had secured an agreement with China on staged market access for beef and tallow. I know Alberta's industry is trying to reduce its dependence on its beef trade with the U.S., and China is considered a priority market in our efforts to diversify. My question is for the Minister of Agriculture and Rural Development. Could the minister tell us what our provincial government is doing to advance our trade with China?

The Speaker: The hon. minister.

Mr. Hayden: Thank you, Mr. Speaker. We are right now working with our federal government in negotiating trade protocols with China. We have been working through a trade mission with the New West Partnership with British Columbia and Saskatchewan to advance the interests of our agriculture industry in Asia. A number of meetings with Chinese government officials, meat-purchasing agencies, and retailers have shown that there is an amazing market available for us, and we're there developing it.

Mr. Drysdale: Mr. Speaker, the agriculture minister mentioned his New West Partnership Asia mission. Was it just about beef, or did the minister highlight any other products while he was there?

Mr. Hayden: No, Mr. Speaker. There were a number of products that were highlighted, and it was very interesting to see the Asian market's taste for our honey out of northern Alberta, as an example, the huge business that we do with them on canola and a number of other products. Of course, along with our partners there was salmon from British Columbia, the fruit industry. There are all kinds of opportunities.

Mr. Drysdale: Again to the same minister: in addition to advancing the trade of our commodities, are there any other benefits to these international relationships between our industry and the industries in China and Japan?

Mr. Hayden: Absolutely. There are other opportunities, Mr. Speaker. We have industry people from China and Japan that are actually in our research centres in Leduc right now testing Alberta products and building them to the taste preferences of their market. It creates all kinds of opportunities when you meet in communities with people whose cities are as large as our entire population in Canada. The opportunities there are wonderful, and the people really want to do business.

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

No-net-loss Wetland Policy

(continued)

Ms Blakeman: Thank you very much, Mr. Speaker. We've had the interim policy on wetlands in place for approaching three decades, we've had the minister's own Water Council give recommendations two years ago, and here we're hearing the minister today explaining the current stall to a lack of consensus on wetland issues. Well, the opposite of consensus is hostage taking. To the Minister of Environment: why is the minister abdicating his leadership and allowing CAPP and the Alberta Chamber of Resources to be the hostage takers and derail this process?

Mr. Renner: Mr. Speaker, let's be very, very clear. There is a significant amount of consensus already in place. There were a number of recommendations where we are in fact proceeding along the very lines that were outlined. The report that came from the Water Council suggested that there needed to be more emphasis on the functionality of wetlands, and they were almost talking about interim. They said: in the interim no net loss.

The Speaker: The hon. member.

Ms Blakeman: Yeah. Exactly my point: hostage taking.

Given that cumulative effects do not mean protecting one aspect

of an ecosystem while neglecting another, why is this administration moving forward with the land-use plan with accelerated development before implementing a wetlands policy?

Mr. Renner: Mr. Speaker, let's just face some realities here. When we're talking about a no-net-loss policy in a region that already is more than 50 per cent wetlands, there could be some instances where someone would be expecting to replace a wetland by eliminating a much more valuable upland. That's why you have to have a policy that talks about functionality, that talks about protecting wetlands of the highest value. Not all wetlands are the same, and that's why we need a policy that recognizes that.

The Speaker: The hon. member.

Ms Blakeman: Thank you very much. To the same minister. Here's a reality check for you. We've lost 60 per cent of the wetlands in this province while this minister has been dragging his heels on this policy. Why does the Environment minister always default to the Department of Energy when it comes to environmental protection? Why?

Mr. Renner: Mr. Speaker, the Environment department defaults to the Environment department. I can guarantee the member that that simply is not the case.

As to her assertion that there has been a 60 per cent decrease in wetlands since I have been the minister, it's absolutely ludicrous. Why would she make a ridiculous statement like that?

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

Canadian Dollar Value

Mr. Rodney: Thank you, Mr. Speaker. The Canadian currency exchange rate was forecasted back in the first quarter, but ever since the loonie has continued to climb in value, hovering around parity for the past few weeks. Many people consider this a good-news story, but in certain respects this is terrible news. My first question is for the Minister of Finance and Enterprise. How drastically has this affected the Alberta budget? Is it to the point where the minister needs to go back to the drawing board?

The Speaker: The hon. minister.

Dr. Morton: Thank you, Mr. Speaker. The hon. member is correct. The loonie has appreciated vis-à-vis the U.S. dollar, and it does have a significant impact on government of Alberta revenues. A 1-cent change in the exchange rate translates into a \$215 million drop in government revenues – 1 cent equals a \$215 million drop in revenue – and with the loonie getting towards parity recently, obviously it's a concern. It's on our radar. That's why at first quarter we readjusted our projection from 95 cents to 96.75 cents and projected that that will cost us approximately \$375 million in lost revenue.

2:40

The Speaker: The hon. member.

Mr. Rodney: Thank you, Mr. Speaker. My first supplemental is to the same minister. Some of those numbers are alarming, and it's indeed possible this isn't just a volatile, short-term issue. It may become a long-term trend. What is the minister doing to counteract this?

Dr. Morton: Mr. Speaker, on the recent trip I made to New York and Toronto, meeting a lot with many of the banks and banking agencies, we discussed this at length. The general consensus is that the Canadian dollar is going to range between 95 cents and \$1.05 over the next number of years. That's the new range. Again, when we do our second-quarter update at the end of this month, we'll be looking at that and making the appropriate adjustments.

The Speaker: The hon. member.

Mr. Rodney: Thank you, Mr. Speaker. My final question to the same minister. Albertans deserve some details. What specific actions is the minister taking to offset pressures of the high dollar value on our government's fiscal plan?

Dr. Morton: Mr. Speaker, as I indicated when I tabled the budget back in February, we're an export-based economy, and what happens in the rest of the world affects what happens here in Alberta. I also pointed out at that time that while we cannot control revenues, we can control expenditures. That's what we're working on right now as we prepare the budget for Budget 2011.

The Speaker: Hon. members, that concludes the question-and-answer period for today. Eighteen members were recognized. There were 106 questions and responses.

We will return to the main Routine with additional members' statements momentarily, but in the interim might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

Introduction of Guests

(continued)

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

Mr. Kang: Thank you, Mr. Speaker. It is with great pleasure that I would like to introduce to you and through you to the members of the Assembly Mr. Jason Bedard and his beautiful wife, Leslie Bedard. Leslie ran for alderman in ward 4 in the last civic election in Calgary. The Bedards are very close friends of the family – that is, my family – and they've been a great help to me during my campaigns and elections. I'd like Jason and Leslie to rise and receive the warm welcome of the Assembly.

The Speaker: In 30 seconds we'll revert to Members' Statements.

Members' Statements

(continued)

The Speaker: The hon. Member for Cypress-Medicine Hat.

Grimma-Alberta Flood Damage Fundraising Exchange

Mr. Mitzel: Thank you, Mr. Speaker. In 2003 due to a heavy rainfall crisis in the republic of Czechoslovakia and in Poland decisions were made to open floodgates on many dams in order to save their structures and prevent local flooding. As a result water gathered and flowed down the Elbe River and in a short time totally flooded the city of Grimma and the surrounding province of Saxony in Germany. The province of Saxony is twinned with the province of Alberta, and the Elbe River flows right through this 1,000-year-old city.

Mr. Speaker, the German consul, the hon. Bernd Reuscher, along

with officials from Leduc were in the Saxony area very shortly after the flood in 2003 and saw the devastation for themselves. Upon returning to Edmonton, Consul Reuscher organized a benefit concert, and over \$30,000 was raised. This was then matched by the Alberta government through the Wild Rose Foundation. Alberta was the only province and Albertans were the only people from around the world to come to the aid of the city of Grimma.

As fate would have it, Mr. Speaker, the very same mayor and council of Grimma were in Leduc very shortly after the flood this year in June in Medicine Hat and in Irvine in southeast Alberta. Upon hearing about the flood and seeing the devastation on TV, they immediately set in motion the required process to provide a donation by way of a cheque for €15,000, approximately \$21,000, for the victims of the flood here. On October 15 this cheque was presented by Consul Reuscher to the Medicine Hat community foundation to address such things as mid- and long-term financial burdens of victims of the flood.

On behalf of the citizens and, in particular, the flood victims I wish to express our sincere and heartfelt thanks to the city of Grimma in the province of Saxony, Germany, for their very kind generosity. Thank you as well to German Consul Bernd Reuscher for his initiative and work on this. It is so much appreciated.

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

Building Trades of Alberta Courage Centre

Mr. Elniski: Thank you, Mr. Speaker. I rise today to recognize the opening of the Glenrose hospital Courage Centre. The centre is an initiative of the Glenrose Rehabilitation Hospital Foundation and the Building Trades Council of Alberta. The Courage Centre has been established to create an environment where new beginnings are born and nurtured using the latest and, I must say, somewhat amazing advances in rehabilitation technology.

Mr. Speaker, since its opening in 1964 the Glenrose rehabilitation hospital has made significant strides towards enhancing rehabilitative care in our province. The province has established itself on an international level as a place for excellence in neurological, orthopaedic, cardiac, geriatric, and pediatric rehabilitation care. Serving over 20,000 families a year, the Glenrose is one of the largest free-standing tertiary rehabilitation centres in North America. The Glenrose hospital is unique to Alberta. Staff at the Glenrose are committed to the provision of complex and specialized rehabilitation care for all ages. They know that rehabilitation helps to restore a person to the way they were prior to their illness or injury.

The foundation has raised close to \$10 million towards projects like the Alberta Courage Centre. For two years the foundation focused its efforts on funding this new state-of-the-art facility in the hospital, and on November 4 the Building Trades of Alberta Courage Centre will open its doors. Mr. Speaker, for most people technology makes things easier, but for someone with a disability technology makes things possible.

Thank you to the Glenrose foundation and all the generous donors for making the Alberta Courage Centre a reality. You give people with disabilities a chance, but most of all you give them hope. Your dedication to helping those who deal with the daily challenges of disabilities is truly inspirational.

Thank you.

The Speaker: The hon. Member for Lethbridge-West.

Lethbridge College and U of Lethbridge Achievements

Mr. Weadick: Thank you, Mr. Speaker. As parliamentary assistant

to the minister of advanced education and innovation I've had many opportunities over the past several months to tour and meet with people from many of Alberta's excellent postsecondary institutions. Today, Mr. Speaker, I'd like to talk about a couple of recent milestones from my own neck of the woods, Lethbridge.

First, I'd like to recognize Lethbridge College for receiving a business of the year award from the Lethbridge Chamber of Commerce in the innovation category. The college received the award in recognition of its commitment to excellence and innovation. Its recent collaborations with industry have challenged the college to find solutions to real-life problems. The award cited the college's partnership in the living home project, a partnership with Cedar homes in Lethbridge, and its patent application for Simleggings, a medical training innovation. Applied research is an integral part of college programming and often comes with groundbreaking results. This award recognized the advanced efforts of students, faculty, and staff towards building a knowledge-based economy. I'm sure Lethbridge College President Tracy Edwards is very proud of this award.

It's also my pleasure, Mr. Speaker, to speak about another event. I was able to join our Premier and a number of our southern MLAs at the grand opening of Markin Hall at the University of Lethbridge on October 21. Markin Hall is a \$65 million project that boasts western Canada's first commodity trading laboratory, a nursing skills lab with simulated patients, and an addictions counselling lab with the latest digital recording technology for individual, family, and group sessions. This government invested \$50 million of the cost with another \$3 million coming from Dr. Allan Markin, the chairman of Canadian Natural Resources and part owner of the Calgary Flames. Markin Hall provides better teaching space for about 550 health sciences students, giving them the opportunity to learn by doing in the simulated health field. Markin is also home to western Canada's first commodity trading lab and provides students with hands-on experience in derivatives trading.

Thank you, Mr. Speaker.

Introduction of Bills

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

2:50

Bill 20

Class Proceedings Amendment Act, 2010

Mr. Drysdale: Thank you, Mr. Speaker. I rise today to request leave to introduce for first reading Bill 20, the Class Proceedings Amendment Act, 2010.

This legislation will amend the existing Class Proceedings Act. This act facilitates the efficient handling of cases of mass wrong, commonly referred to as class-action lawsuits. It also provides improved access to justice for those whose claims may not otherwise be brought forward and can encourage actual or potential wrongdoers to change their behaviour. These amendments will improve and update current legislation and are consistent with the recommendations made by the Uniform Law Conference of Canada and the courts.

Thank you.

[Motion carried; Bill 20 read a first time]

The Speaker: The hon. Deputy Government House Leader.

Mr. Renner: Thank you, Mr. Speaker. I move that Bill 20 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

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

Bill 21
Wills and Succession Act

Mr. Olson: Thank you, Mr. Speaker. It's my pleasure to rise today to request leave to introduce for first reading Bill 21, the Wills and Succession Act.

This act will amalgamate five pieces of legislation into a single statute that covers wills, intestacy, beneficiary designations, survivorship, and family support, making it easier for Albertans to use and understand. This legislation will also modernize and update the law to reflect the current financial and social realities of Albertans, and it will provide Albertans with clear, easy-to-find, and easy-to-understand rules for estate planning.

Thank you.

[Motion carried; Bill 21 read a first time]

The Speaker: The hon. Deputy Government House Leader.

Mr. Renner: Thank you, Mr. Speaker. I move that Bill 21 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

The Speaker: The hon. Minister of Housing and Urban Affairs on behalf of the hon. Minister of Justice and Attorney General.

Bill 22
Family Law Statutes Amendment Act, 2010

Mr. Denis: Thank you very much, Mr. Speaker. I'm pleased to rise today to request leave to introduce first reading of Bill 22, the Family Law Statutes Amendment Act, 2010.

Mr. Speaker, Bill 22 will incorporate amendments to three different enactments in the family law area: firstly, the Family Law Act; secondly, the Maintenance Enforcement Act; and thirdly, the Interjurisdictional Support Orders Act. Through Bill 22 we will update legislation to ensure that children born using assisted human reproduction have certainty about their legal parents, establish parents as guardians of their children, and abolish the status of illegitimacy, which is no longer relevant in Alberta law.

Bill 22 will also enhance administrative fairness and increase efficiencies and regularity of payment for Alberta's maintenance enforcement program. It will also address contact information requirements for clients and how insufficient funds payments and overpayments are treated at law. Also included in this bill are amendments that will benefit families by making child and spousal support orders between Albertans and parties in other jurisdictions easier to establish, to vary, and to enforce.

Mr. Speaker, these changes increase service, improve efficiencies, provide clarity, and streamline process. Thank you.

[Motion carried; Bill 22 read a first time]

The Speaker: The hon. Minister of Energy.

Bill 24
Carbon Capture and Storage Statutes
Amendment Act, 2010

Mr. Liepert: Thank you, Mr. Speaker. It's my pleasure today to request leave to introduce Bill 24, the Carbon Capture and Storage

Statutes Amendment Act, 2010. This being a money bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this bill, recommends the same to the Assembly.

Mr. Speaker, carbon capture and storage, or CCS, technology is fundamental to Alberta's clean-energy pursuits in the reduction of greenhouse gas emissions. Passage of this act will clarify poor space ownership, ensure that the province accepts long-term liability for injected carbon dioxide, and creates a stewardship fund, financed by CCS operators, which will be used for remedial and ongoing monitoring costs.

[Motion carried; Bill 24 read a first time]

The Speaker: The hon. Minister of Energy.

Bill 25
Freehold Mineral Rights Tax Amendment Act, 2010

Mr. Liepert: Mr. Speaker, I also request leave today to introduce Bill 25, the Freehold Mineral Rights Tax Amendment Act, 2010.

Mr. Speaker, the current act needs to be updated to align with current industry practices, and these proposed amendments will ensure that business practices comply with freehold mineral tax legislation, recognize the electronic transmission of documents, update auditing provisions to be consistent with the provisions of the Mines and Minerals Act, and update appeal provisions to be consistent with other tax legislation.

[Motion carried; Bill 25 read a first time]

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

Bill 208
Recall Act

Mr. Hinman: Thank you, Mr. Speaker. Today it's a pleasure to request leave to introduce Bill 208 for first reading.

I'm very pleased. Bill 208 is a recall act, a true accountability act. Recall is based on a very simple principle. Elected officials are not only accountable to voters on election day but every day. Being elected does not generate an entitlement. It is a privilege that must be revokable if the voters are to be truly empowered. Four or five years is a long time for citizens to have to wait if their MLA suddenly promotes their own hidden agenda or acts in some way that dissolves the trust and respect of the voters. This is even more the case when a politician is not planning to run for office again. When this is the case, the threat of election day becomes meaningless, and an MLA can accordingly misrepresent constituents to an unacceptable degree without fear of any consequences.

Some no doubt have fear of an act like this bringing instability to government. To this I counter that it does not do so in many jurisdictions in North America in which proper recall provisions are in place. The threshold in this act is high enough that there will not be any frivolous attempts that will succeed in triggering an election. In this act 33 per cent of the eligible voters must sign a petition that clearly explains why recalling the member is warranted. Canvassers are required to be residents of Alberta for six months and cannot be paid for their efforts. This helps to ensure that the recall effort will be a grassroots movement and not something paid for by a wealthy minority or interest groups outside of Alberta. The signatures must be collected within 60 days. This is about as short a window as one would expect a campaign like this to work but ensures that the political uncertainty is minimized.

In conclusion, this bill is about ensuring that the people of Alberta are the ones holding the power and that when elected representatives no longer represent the people, they have a process that allows them to remove politicians with hidden agendas who are not putting the interests of the people first. Recall is the only 24/7 way to hold elected people accountable and in check. If we want people to be engaged in politics, then they must be empowered.

Thank you, Mr. Speaker.

[Motion carried; Bill 208 read a first time]

Tabling Returns and Reports

The Speaker: The hon. Member for Cypress-Medicine Hat.

Mr. Mitzel: Thank you, Mr. Speaker. I'd like to table the appropriate number of copies of a petition and a letter received in my office over the summer months. This petition states:

We, the undersigned residents of Alberta, petition the Legislative Assembly to urge the Government of Alberta to inform the Health Minister along with the provincial health . . . board to give Dr. Wardell's pain clinic in Medicine Hat . . . the adequate funds to keep it from closing as of July 1st 2010. Also those funds need to be budgeted for in up coming budgets so he along with his patients do not experience this hardship again [past 2012].

The letter also reflects this opinion and thanks the minister for addressing this with the two-year interim funding.

The Speaker: Hon. members, we've now arrived at the point of 3 o'clock. It's been the practice that if we are in a part of the Routine that we've already started, we'll go to the end of it before I come back to the standing order provision.

The hon. Member for Edmonton-Riverview.

3:00

Dr. Taft: Thank you, Mr. Speaker. I have three tablings today. All of them, I think, are important and interesting. The first is copies of a ruling written by Judge Wheatley in the case of Frick versus Her Majesty the Queen. I particularly draw members' attention to paragraphs 19, 20, and 21, where, for example, it says: "For an accused without the means to pay for a lawyer, the current situation in Alberta is troublesome." It goes on to elaborate on this. I am doing this on behalf of the Member for Calgary-Buffalo.

My second tabling is perhaps for the enlightenment of the Minister of Health and Wellness or for all members and to make sure that it's in the record. The minister announced a couple of weeks ago that he was establishing benchmarks and so on. What I'm tabling today are simply copies of the same benchmarks that have been published by Alberta Health Services going back two years. So his announcement was really something that's been in place for a long time and shows no improvement in that time.

Finally, Mr. Speaker, a tabling that may reinforce my reputation as an egghead; I'm not sure. Last week I referred to King Canute, and very few members of the Assembly knew who King Canute was, actually, to my dismay. Some members of this Assembly whose heritage might even stem from King Canute didn't know who he was, so I am tabling a brief history of who King Canute was. He was a very important man.

Thank you.

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

Ms Blakeman: Thank you very much, Mr. Speaker. I'm tabling today documents that, in fact, I was prepared to table last Thursday.

This is a copy of the letter that was signed by over 300 individuals in person and an additional 300 people online. It is the letter from the Stand with Fort Chip group directed to the government of Alberta and specifically to the hon. Premier. It lists their concerns and, of course, accompanied the round-trip plane ticket that the students and the Stand with Fort Chip group delivered to the Premier. Later he agreed he would indeed be visiting this area. This is a copy of the letter and the signatures supporting it.

Thank you very much, Mr. Speaker.

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

Mr. Taylor: Thank you very much, Mr. Speaker. I rise today to table five copies of a letter from constituent Susan Wright, who has written a letter to the health minister detailing the ordeal that her daughter spent twice in the health care system when she had a gall bladder attack and subsequent complications because of the first ordeal.

Thank you.

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

Ms Notley: Thank you, Mr. Speaker. I would like to table the appropriate number of copies of a report by the Canadian Labour Congress titled How It Works (for Everyone). This report refers to the advantages of a modest increase in CPP contributions that would result in extra benefits for workers when they retire.

Thank you.

The Speaker: Are there others? The hon. Member for Airdrie-Chestermere.

Mr. Anderson: Thank you, Mr. Speaker. I would like to table the appropriate number of copies of a letter received from over 50 parents of special-needs students from across Alberta. The letter outlines their disagreement with the government's plan for students with special needs and the lack of adequate funding they receive. They do not support the initiative of forcing special-needs students to attend the same classrooms as regular students unless it is clearly beneficial to all students involved.

Thank you.

The Speaker: Hon. members, it's my pleasure today to introduce you to the new pages that we have by way of a brochure that we've just recently produced called Page Biographies: Legislative Assembly of Alberta, 27th Legislature, Third Session, Fall 2010. Take a couple of minutes just to go through this to see these remarkable young people.

Orders of the Day

Written Questions

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

Sour Gas Well Blowout

Q40. Mr. Taylor asked that the following question be accepted. How much gas has been released as a result of the sour gas blowout near Hythe that occurred on February 24, 2010?

Mr. Taylor: Thank you, Mr. Speaker. By way of background on the 24th of February of this year a sour gas well belonging to Canadian Natural Resources blew out very near the community of Hythe, about 19 kilometres northwest of Hythe, and it continued to burn for,

I think, some 13 days before the ERCB approved a plan to regain control of the well. The plan, as I understand it, was successful.

This is not a question, Mr. Speaker, that seeks to determine the degree or the level to which the health of nearby residents may have been affected by release of sour gas because it was pretty clear at the time that there was a fairly insignificant amount of sour gas that may actually have been released into the atmosphere. It's more about how much gas went up in smoke, if you will, during those 13 days. The follow-up question is going to relate, as I will discuss at the appropriate time, to what they may have cost the province of Alberta in forgone royalties.

Thank you, Mr. Speaker.

The Speaker: The hon. Minister of Energy.

Mr. Liepert: Thank you, Mr. Speaker. The kind of information that this hon. member is attempting to seek is impossible to provide, and it's for that reason that I would ask the Legislative Assembly to reject the question. As a bit of background this was a flaming gas well that blew while in the drilling stage. Measuring the flow from an uncontrolled gas well at that stage is impossible. The measurement comes after the drilling has been finished and has gone into the test stage. As a result, there is really nothing that I can table to assist the hon. member. What I can say is that the ERCB investigation into this blowout is continuing. I would hope that within the next couple of months we would have that report. That report will become public, and if there is anything that the ERCB during its investigation could add relative to the amount of gas that may have been lost as a result of this blowout, we're more than happy to provide it. But I would have to ask that the Assembly reject the question primarily because the information is not available.

The Speaker: Others to participate? The hon. Member for Calgary-Glenmore.

Mr. Hinman: Thank you, Mr. Speaker. I think that perhaps sometimes when we ask a question it opens up another door, and we see the reverse side of the question. Perhaps the other side and why this is a valid question to answer is because of the numerous applications that are sitting in front of the ERCB, where those wells are not allowed to be drilled because we're not processing it in a timely manner. I think to see what happens in the 13 days when a well has run wild and got out of control – what would it be like to see the other side, where a company has waited six months or a year or been denied access just because they don't have their act together or there isn't clarity in it. I mean, I've spoken to companies that have made application up in the Lloydminster area. It has taken a short six weeks in Saskatchewan, and we're waiting up to two years here in Alberta.

I think it's significant to see how much royalty we are actually losing not because of the little bit that is being lost to a blowout like that but because we're not drilling. I think it would also be interesting to show the world the amount of flaring that takes place in other jurisdictions and to show how environmentally responsible we are here in Alberta with restricting the flaring and that it is taking place right now. The amount of flaring that is going on in other nations is incredible. If we want to talk about the CO₂ production and that aspect of it, we should be able to compare Alberta to those other jurisdictions to show what a great job the drillers and the people of Alberta are doing in developing our resources.

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

3:10

Mr. Chase: Thank you. What this question brings to mind is a concern over sour gas release and the types of remediation we have in this province to limit the dangerous effects. In 2005 in a measurable circumstance the Shell plant near Pincher Creek released sour gas when their ignition system twice failed. Now, that's probably an example of a measurable amount of gas because it was from a refined circumstance.

The problem that occurred when Compton proposed having sour gas wells right on the outskirts of Calgary, very close to the soon-to-be-completed, long-awaited east hospital, indicates how we need to be able to hold companies to account and ensure that, whether it's in the drilling stage or somewhere along in the refining stage, sour gas isn't either flared or released. So this question by the hon. Member for Calgary-Currie creates a series of questions about the release of sour gas, the effects on both individuals and the flora and the fauna in the surrounding areas. I understand the minister's inability based on the fact that the gas escaped before it was measured, but my concern is that the gas escaped, and what we are doing to ensure that it doesn't continue to go into the air for 13 days after the initial loss.

The Speaker: The hon. Member for Calgary-Currie to close the debate.

Mr. Taylor: Thank you very much, Mr. Speaker. That sounded, actually, like a plausible explanation from the Minister of Energy, and I'm inclined to accept the explanation. I look forward very much to the ERCB investigation report due in a couple of months, and hopefully we'll have a further conversation with the minister about that at that time.

Thank you.

[Written Question 40 lost]

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

Sour Gas Well Blowout

Q41. Mr. Taylor asked that the following question be accepted.
What is the total amount of royalty revenue that the province expects to lose because of the sour gas blowout near Hythe that occurred on February 24, 2010?

Mr. Taylor: Thank you very much, Mr. Speaker. The same explanation, the same background goes for this question as for the previous question, so without further ado I'll allow the response from the minister.

Mr. Liepert: Well, Mr. Speaker, again, unfortunately, that type of information is not available because, in essence, it wasn't a producing well, and you only pay royalties on a producing well. So the question as it's phrased would be a guesstimate on the part of anybody because the real question would've been phrased: how much did the province lose in royalties during the time when the blowout took place? The answer there would be none because we only collect royalties on a producing well.

Again, as I said in respect to the first question, the ERCB is reviewing this particular blowout. The report should be available within the next couple of months. I'd be more than happy to share with this hon. member any information or hear his suggestions relative to how that process could be improved going forward, but for this particular written question I'm afraid I have to suggest that the Assembly reject this question, Mr. Speaker.

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

Mr. Chase: Thank you. Again, I understand and appreciate that if something isn't measurable, then how can you, therefore, determine the value of something that wasn't measured in the first place? However, the question does prompt concerns about royalties, and our predecessor to Merwan Saher, Auditor General Fred Dunn, brought up the concerns about how it is that we measure and collect royalties. He pointed out that the government had the potential of losing over a billion dollars in gas royalties because of its measurement system.

One individual at that time when he did his study was the gatekeeper for all the incoming measurements of gas upon which royalties would be determined, and this person was swamped. He was basically receiving input from the various companies involved. As opposed to having an independent accounting, he was totally reliant on the information that he was receiving. What he was basing his royalty measurements on were the highest outflows as opposed to any kind of consistent monitoring of individual production measures. My concern, even with the improved royalty measurements that we have out there, is that to a large extent we're reliant on companies and their reports as opposed to accounting separately and measuring the flows and, therefore, an accurate accounting of the royalties that we're due.

Thank you to the hon. Member for Calgary-Currie for raising this question. I don't believe the royalty collection has been completed to the new Auditor General's satisfaction, but that will remain to be seen.

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

Mr. Hinman: Thank you, Mr. Speaker. I, too, would like to comment a little bit. Again, the question is worded such as to say, "Well, how much royalty revenue does the province expect?" or, to me, "Can it calculate how much it actually did lose?" I would venture to say to the minister that, actually, we can fairly accurately measure that because we know the size of the pipe and the pressure at which it blew out. The volume is just a correlation between volume and the pressure. I think that, again, the important thing to realize with this is that we have a smear campaign pointed at the province. I think questions like this need to be answered, but we need to go the next step further.

As I mentioned a little bit earlier on Question 40, on this one here, Question 41, we had some CO₂ production because of it being flared and it being allowed to continue on for 18 days. I think this is an opportunity where we can showcase to the world and show the amount of CO₂ that's being produced per volume of gas in the province. Once again, if this is what the real concern is for many of these environmentalists, then actually look at other jurisdictions, where they don't care about their natural gas, where they flare it all the time and produce the oil. Yet if we were to actually use natural gas to extract our bitumen and upgrade it, we'd be ridiculed.

I think this is a great opportunity for the province and the Energy minister to do some calculations and answer these questions and to go a step further and show the amount of CO₂ production per barrel of oil produced in many of the other countries of the world that just constantly flare and burn their natural gas because they don't want to make the effort of liquifying it or pumping it or whatever else. They just want the oil, and they burn the gas, producing a massive amount of CO₂ per barrel produced.

I think this is an opportunity for the government to look at and report on this and, more importantly, report on other jurisdictions, on how they handle these things, to once again show the expertise of

those companies that operate here in Alberta and also to point out that it seems like people don't realize that those companies, that have invested millions of dollars in drilling, absolutely have their best interests at hand in making sure these blowouts don't occur. They probably do the best job of scrutinizing why this has happened to ensure that it doesn't happen again in the future.

Thank you, Mr. Speaker.

The Speaker: Others?

The hon. Member for Calgary-Currie to close the debate.

Mr. Taylor: Question.

[Written Question 41 lost]

Public Bills and Orders Other than Government Bills and Orders Second Reading

Bill 204 Fiscal Responsibility (Spending Limit) Amendment Act, 2010

[Adjourned debate October 25]

The Speaker: Hon. Member for Calgary-Varsity, if you want to proceed, go ahead and then the hon. Member for Calgary-North Hill.

Mr. Chase: I didn't want to interrupt the person who had adjourned debate or take away their opportunity to continue, but thank you, Mr. Speaker, for allowing me to speak.

A lesson I learned very early on came out of Sunday school. I had an Anglican grandmother living in Meota, Saskatchewan, and a grandmother who followed the Christian Science faith in Saskatoon who taught me a variety of Sunday school lessons, but my favourite lessons always came through stories.

3:20

One of my favourite stories, that relates directly to Bill 204, the Fiscal Responsibility (Spending Limit) Amendment Act, 2010, is the story of Joseph. One of the reasons the story appealed to me to such an extent was that Joseph had a coat of many colors, and that actually attracted the attention of a rather bad element. They not only stole Joseph's coat of many colors, but they dumped him into a pit, and they left him. Fortunately, as the story goes, God provided for Joseph, and Joseph went on to be the financial adviser for another very famous Biblical story individual, and that was David of the slingshot, who later became a very wise King David. Joseph's advice to King David was to set aside in times of good to cover times of famine, so he recommended that in the royal storehouses there be the equivalent of seven years of grain stored. And it came to pass, as the Bible would say, that the king on behalf of his loyal citizens set aside and was able to manage seven very devastating years.

[Mr. Mitzel in the chair]

To bring this Biblical analogy to Alberta reality, the sustainability fund, that the Alberta Liberals put forward as the stability fund, is that tide-over situation. It's very important that while the government operates within its means, it has the ability to tide us over in situations like we're now experiencing with this recession.

I agree with the hon. mover of Bill 204 that the government has a spending problem, but I also am aware of the different attitudes that a Liberal policy would bring to the table versus that being put

forward by members of the Wildrose Alliance. The difference between the Liberals and the Wildrose Alliance is that the Liberals see government as having a role in intervening on behalf of the citizens. That's why, for example, governments collect taxes. If this government relies completely, as it unfortunately does, on oil and gas revenue, which makes us slaves to the global economy, seconded only by the revenue from gambling – from slots and lotteries, et cetera – then Alberta is going to continue to be held hostage.

Simply saying that the government must always only spend according to inflation and population means that there are going to be, as I started out in my Biblical reference, years of the equivalent of drought and years of plenty. If the government is not allowed to dip into that buildup, which is being called the sustainability fund, and invest that money – for example, in Children and Youth Services, in Health, in Education – then we're going to see what happened to us in 1993 through 1998 with the Ralph Klein government, where education suffered tremendously. And it hasn't recovered, Mr. Speaker.

In Calgary alone, for example, the infrastructure deficit, because building has not caught up over a period of almost the last 20 years, has risen to a billion dollars. The government has never gotten to the point where the class size initiatives of the Learning Commission of 2003 can actually be put into place because there is not sufficient space. So we see schools cutting up their libraries and turning them into classrooms, using workrooms, using staff rooms, taking the stage away from being a performance area to being an extended classroom.

If Bill 204 tied the government's hands to inflation and population, then these years of recession would be extended, and as I say, the last thing I want to see is a repeat of the Klein administration. In Ralph Klein's time it was convenient to say that we'd never run a deficit. But shortly after, when the Stelmach government came into power, they considered running a deficit a requirement. I understand the need to cover the expenses.

In the case of health care we saw the beginnings of our emergent circumstance that we're facing right now. We had over twice as many operable, staffed beds in '93, with a considerably lower population than we have now. We had three more hospitals operating in Calgary at that time. Unfortunately, Premier Klein decided to blow up the General. He sold off the Holy Cross to friends, basically, for a song, approximately \$5 million after \$32 million of renovations had taken place. He sold the Grace hospital to the HRC, which has now had their contract taken away. It's well time that was done, but the point is that we had that extra operating room to work with. Now we have the new McCaig centre basically replacing the two operating rooms from the HRC, so we're no farther ahead.

The point I'm making, Mr. Speaker, with regard to Bill 204 is that when Premier Klein made these cuts back in '93 through '98, it had a devastating effect. Through the cuts, and with the help of Messrs. Dinning and West, we lost 10,000 of our civil servants that provided the services, and we have not yet gotten back to the point where we have sufficient front-line child and youth services workers. We have a shortage of legal aid. This famine, this lack of services, that was created in 1993 and going forward, would simply be repeated if the government had no ability to temporarily dip into the stability fund.

That said, Mr. Speaker, I believe that the government could make much wiser investments than it's currently making. For example, the government basically bailed out the superboard with \$1.3 billion, and when the hon. minister of health talks about providing stability for five years, \$1.3 billion of that was made to cover up mistakes. In terms of investments, instead of gold watch send-offs like Jack Davis is receiving, \$23,000 a month in pensions, the \$44 million

given out to top officials within the various government departments in terms of bonusing: that is where I share the Wildrose concern.

Thank you.

The Acting Speaker: The hon. Member for Calgary-North Hill.

Mr. Fawcett: Thank you, Mr. Speaker. I'm happy to stand today to share some thoughts on Bill 204, the Fiscal Responsibility (Spending Limit) Amendment Act, 2010, which is being brought forward by the hon. Member for Airdrie-Chestermere. The main idea of Bill 204 is fiscal restraint. Broadly speaking, I do agree with the member's premise that government should practise fiscal restraint – too often we see governments from all over the world act as if the money is theirs to spend and not the taxpayers' – but limiting yearly spending increases to the rate of inflation plus growth is where I differ from the hon. member. That type of formula is way too simplistic for what is a complex, complex process in allocating resources, Mr. Speaker.

3:30

In certain circumstances the bill would allow for government spending to exceed inflation plus population growth so long as spending per capita is lower than it is in nine other provinces. You can see, Mr. Speaker, that we're already starting to make exceptions. Why stop here? Well, the simple fact is that that's why we elect governments, to have the flexibility to meet the needs and priorities of those that elect them. In fact, this exactly shows that in this respect we would actually not be leaders; we would be followers. What if in this circumstance the situation indicated, you know, that it was appropriate to keep spending to inflation and population growth?

I want to be clear, Mr. Speaker, that the de facto effect of this bill, at least in the short term, would be that the inflation-adjusted government spending per capita would be constant over time, again a noble goal but one that does not necessarily need to be legislated by law. One problem with using inflation to limit government spending is that there is no right measure of inflation to use when it comes to delivering government programs. This is because government spends on different items than does a consumer or producer, and inflation indices do not account for expenditures that are typical for government such as health care and education.

Mr. Speaker, I remember, when I was just elected to the school board in Calgary in 2004, being sent a report or a news article that indicated that education inflation was way over and above the regular inflation rate right across this country. Another example is that this government spends nearly 40 per cent of its budget on health care because it is important to all Albertans. Yes, population growth does have some sort of influence on the health care budget, but I would suggest that some of the biggest drivers in health care have nothing to do with the regular inflation rate or population growth. These drivers are changing demographics, particularly an aging population, as well as the drivers of technology and innovation. Again, this is not reflected in such a simplistic formula.

The result is that inflation in the government sector is not accurately measured by normal inflation indices. To link government spending to an index that does not accurately describe inflationary pressures in such services as health care and education is simply irresponsible. In fact, Mr. Speaker, it's the exact opposite of what fiscal responsibility is. It just does not make sense. It does not make sense to many of my constituents that I have heard from. It may make sense only to those who think that policy must be strictly ideologically based and strictly held to a narrow point of view on how we address our challenges.

Mr. Speaker, proponents of this bill often cite the apparent successes of similar legislation in the U.S. states to bolster the case for this bill, and there are two problems with that. One, state budgets are a poor analogy for the Alberta budget. In particular, states spend a significantly smaller portion of their budget on health care than Alberta does. Most states spend around 30 per cent of their budgets on health care and related expenses, primarily through insurance vouchers and similar provisions rather than by directly providing health care. The budgetary pressures faced by Alberta, therefore, are different than the budgetary pressures faced by many U.S. states.

The second thing is that spending caps implemented in U.S. states have not been as successful as the proponents of this bill claim. Of the states with spending limits, which is a total of 22, all but two of them will face a budget shortfall this year, Mr. Speaker. Furthermore, in Colorado, which in 1992 implemented a spending cap very similar to the one proposed in this bill, the spending cap was suspended in 2005 by referendum. Not only was this suspension supported by teachers and health care providers but also by many business organizations. Among these organizations was the Colorado Association of Commerce and Industry, which is the state chamber of commerce for Colorado, and even the chamber of commerce for Colorado Springs.

Mr. Speaker, it was the chamber of commerce of Colorado Springs which originally proposed this legislation in 1992. Even the governor of the state, a Republican, supported the repeal, citing concerns on the decrease in quality of education, health care, and roads as a result of the legislation. So the efficacy of spending caps in improving the fiscal position of certain states has not even been established, nor have spending caps improved the quality of services provided by these states. Even businesses in Colorado realize that such legislation places a fiscal straitjacket on government, which impairs its ability to improve the services which citizens expect.

Mr. Speaker, my final critique of this bill is that it may weaken the ability of the government to provide better services to Albertans. Okay. I do recognize that, yes, some of my constituents do have some concerns with the amount that government spends, and again those concerns seem to be generalized between all levels of government. But what is regularly identified by my constituents is not so much how much the government spends but their concern about the types of revenue that government spends.

Again, this bill does not address that very, very important and specific issue. I know that the Minister of Finance and Enterprise has promised to bring forward a fiscal framework for this province that will address that very important issue that my constituents are speaking to me about, and that's the amount of the nonrenewable resource revenue that we spend on an annual basis, not so much how much money we're spending on an annual basis. The fact is that other means such as limits on how much in nonrenewable resources we spend or how much of that revenue we need to save actually can act as a mechanism that will help government limit some of its spending while providing the flexibility needed by government to address the needs that Albertans identify as their priorities. Albertans expect their government to respond to their ever-evolving needs, Mr. Speaker, and this bill hinders the ability of government to do exactly that.

Overall, the budgeting process is a complex one, Mr. Speaker, and ultimately the goal of budgeting is to satisfy the priorities of Albertans in a fiscally prudent manner. That's what governance is all about, developing policies and priorities, then following it up with an allocation of scarce resources. In my opinion, this bill reverses that process. If this bill was passed, rather than a budget reflecting the priorities of Albertans, the budget would come first,

and then the priorities of Albertans would come second. Our mandate as a government is simply not to spend according to a formula and claim responsibility. Rather, our mandate is to evaluate the priorities of Albertans and then budget according to these priorities in a responsible manner.

In its credit analysis for Alberta released a month ago, Standard & Poor's stated that "the province's budgetary performance has benefited in the past 10 years, not only from the robust performance of its resource revenues, but also from prudent fiscal management and an extremely low debt burden." It is quite clear that Albertans are in an enviable position due to fiscal restraint on the part of this government's fiscal management, and we don't need such simplistic formulas to address this particular issue. The needs of Albertans and the context of our fiscal position and framework are way too complex for such a simplistic formula. Mr. Speaker, this is why I'm standing up to not support this bill, and I urge all members not to do so for the same reasons.

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

Ms Notley: Thank you very much, Mr. Speaker. I'm pleased to be able to rise and join debate on this interesting piece of legislation. You know, I start somewhat conflicted because I certainly understand that the member moving this motion has some intentions which I share, particularly his intentions with respect to establishing a certain amount of fiscal responsibility and a certain amount of government discipline when it comes to ensuring that we treat taxpayers' dollars or taxpayers' lottery donations or the paltry bit of revenue that we receive from the oil and gas industry with the respect that it deserves and that we ensure that we spend wisely.

3:40

Certainly, the measures that the member put forward seem quite reasonable at first glance. Indeed, I have a habit, when I'm looking at a government expenditure or a government budget or something, to use as shorthand the population and inflation numbers to assess what's happening at first glance with whatever government proposal is coming forward with respect to budgetary issues. But the problem, I think, is that if we stop the analysis at that shorthand place, we run the risk of, first of all, being rather naive at best and also, more likely, creating big problems and ultimately reducing the ability of government to meet the needs of citizens, which I think is very important. It's not actually an objective that we are very successful at meeting in the province these days, but I still don't think that just because we're doing such a bad job of it now, we should abandon all hope to ever be good stewards of our environment or good providers of health care or effective educators.

The question then becomes: why is this measure perhaps not the best measure? Well, there are a number of examples. Some people have talked already about the concept of the infrastructure deficit. Quite frankly, I think that when you talk about the infrastructure deficit, what you actually have to recognize is that when you don't spend money on maintaining a building, you are in fact spending money. You're creating a liability to the taxpayer, which is ultimately going to come home to roost sooner or later. So it's not as though you've suddenly saved that money and you've done this great bit of management. It's not the case because, of course, that roof is one year closer to collapsing, for instance.

We've had a situation in Alberta over 10 or 15 years under the leadership of the former Premier where we played this game of language, and we tried to pretend we were balancing the budget when, in fact, we all knew that what we were doing was just moving things into different areas and pretending something was happening

that wasn't. So while we didn't spend the money on maintenance or on infrastructure, in fact we created a liability for Albertans. We created a liability that any sound financial manager would have had on their balance sheet at the time that we refused to spend the money on that and something that is now a liability in terms of what we have to spend because, you know, we need roads, and we need our kids to go to schools where the roofs don't fall in on them.

We need to now start spending a certain amount of money on infrastructure. If we'd had good governance for the last 40 years, I might feel more comfortable saying, "Yeah, you know, at this point I think we've got all the pieces in place, and we've been doing a good job up to this point, so now I'm kind of at the point where I could contemplate doing a population/inflation measure of expenditure increase." Unfortunately, I don't have that faith in the governance that has preceded us for the last 20 years. We have huge gaps in what the government has done, so if we're going to address those gaps, we need to in some cases spend more than population versus inflation. That's the problem with the kind of legislation that the member is putting forward. That's one example.

Another example of where it maybe doesn't work is when you look at population increase. That should all be fairly reasonable, but then, of course, you have to look at: what type of population increase? The perfect example, of course, is in the area of seniors' care. Our population is growing in that area, and the needs of that population are growing. We all know and any kind of government planner knows that demographically when your population is a certain age, they tend to invest more or give more back to the community through their economic activity, but there are other times in their lives when they need more back from that very same community. We know that this government anticipates that 10 years from now there are going to be roughly 15,000 more seniors in Alberta who will require some type of supported living arrangement, and we've done almost nothing about it at this point. We are just barely chipping away at that growing liability.

You know, as we talked about earlier in question period today, the government is just fabulous at cutting ribbons and staging and reprofiling and – what was the other one? – phasing in openings so that they get maybe three or four ribbon cuttings at one event and all that kind of fun stuff. We're really good at that, but when you actually add up the numbers, there is a huge infrastructure deficit facing Albertans in terms of seniors' care. If I thought that the government had planned reasonably up to this point, I could see population and inflation being a good measure by which you would limit government expenditure, but because the government has ignored this looming problem for such a period of time, it's not now a measurement of limiting government expenditure which is going to serve the best interests of Alberta seniors or their families or the people who are going to have to take care of them in their homes until such time as we create those 15,000 spaces, which we are not on track to do, by the way. So that's a problem.

Another kind of thing that is not, for instance, covered by population and inflation is the issue of environmental protection. Population and inflation doesn't measure the nature of industrial activity in any given place, and it may well be the case that we embark upon a brand-new or an accelerated level of industrial activity which is going to result in the need for environmental protection which far exceeds an increase on the basis of population plus inflation. The fact of the matter is that we are threatening our environment at a rate which is far greater than the rate that is represented by population plus inflation. If we were to limit our spending to that level, then we would have a problem.

These are just a few examples of why I feel that, on one hand, you know, it's a good shorthand place to start in terms of measuring

government expenditure and controlling it, but it is a superficial analysis. It negates other important roles and obligations on the part of government, and it hamstring government to deal with stuff that they should have done all along. Or, God forbid, if we ever have the situation where we get a new government that actually tries to roll up its sleeves and address the issues that have been ignored for so many decades, in those cases there may be some fairly major ticking time bombs of unexpended liability sitting there.

Now, having said that, though, I really want to reinforce that as a member of the NDP caucus I fully commit to and believe in the importance of balanced budgeting. I believe that it is important, as I've said before, to respect the money of the taxpayers and to be very careful in how you expend that money and establish priorities. You know, people often try and suggest that that's not the way it is with the NDP, but I'm sure that at least some of you have heard that the Canadian Parliamentary Budget Officer came out with a report less than a year ago that identified that the most responsibly expending governments in the country over the last 20 years were in fact the NDP and that the NDP was more likely than any other political party to run a government that resulted in a surplus.

So I agree with the principle, but I do believe that we need to be mindful in terms of how we get to that outcome. We need to do it thoughtfully, and we need to do it with reference to the goals that certainly I have with respect to ensuring that we get the best outcome in the public interest: protecting the environment, preserving our health care, developing a quality education system, and taking care of our seniors. These are important things that we need to achieve, and we won't achieve them if we put some sort of thoughtless rule that we bind ourselves with and make it impossible to manoeuvre within.

I do believe, as well, that in some cases there is an obligation to look at issues of revenue, and this is another thing that – you know, certain parties at certain ends of the political spectrum like to essentially negate the role of government, have government have as little to do as possible with building community, helping the more vulnerable, developing our population in a way that would make us continue to be leaders in the world in education and health care and those kinds of things. Those things require government, and some people would rather not have government involved in that. If we put an arbitrary . . . [Ms Notley's speaking time expired]

The Acting Speaker: The hon. Member for Calgary-Lougheed, followed by the hon. Member for Calgary-Glenmore.

Mr. Rodney: Thank you, Mr. Speaker. It's a pleasure to stand today and join the debate on Bill 204, the Fiscal Responsibility (Spending Limit) Amendment Act, 2010, which is being brought forward by the hon. Member for Airdrie-Chestermere, and I would like to thank the hon. member for doing so. Bill 204 is centred on fiscal restraint, using a formula based on inflation plus population growth, as has been said.

Fiscal control is something that this government has been practising for years; however, I do see some challenges with the proposed formula. First of all, Mr. Speaker, it's clear that this government's dedication to fiscal control and responsibility has put Alberta in the best fiscal position in Canada and, arguably, in North America. In 1993 the provincial debt was approaching \$23 billion, but since that time our government has eliminated the debt and amassed billions of dollars in savings. I'm sure that the majority of other jurisdictions in North America would be all too happy to trade their current financial fiscal position with ours here in Alberta. I'm convinced that they'd appreciate not just words but actions such as those of our Minister of Housing and Urban Affairs, who has

reduced his budget by 19 per cent for this budget year alone, and he is only one of a number of ministers doing exactly that.

3:50

Mr. Speaker, like so many Albertans I'm very proud of our current financial fiscal position, and I'm very proud of how it was achieved as well, without tax increases. It's well known that Albertans pay the lowest taxes in Canada. We have no provincial sales tax, and our government has taken measures to eliminate initiatives that take money out of Albertans' pockets such as health care premiums alone, which has been pivotal.

Alberta's tax advantage is striking when you compare it to other provinces in Canada. As an example, Mr. Speaker, if Alberta had adopted another province's tax system, our citizens and businesses would have paid at least an additional \$10.3 billion in taxes last year alone. That's over \$2,000 per Albertan put back in their jeans and their bank accounts. Given our competitive tax rates it's clear why Alberta continues to attract investment and remains the best place to live, work, and raise a family.

Mr. Speaker, Bill 204 seeks to limit year-over-year spending increases to the rate of inflation plus population growth, and I'm sure that many Members of this Legislative Assembly and those beyond would agree to this principle as an ideal, but under certain circumstances and democratic shifts that could put this government in a very difficult place, if not an impossible place, if this concept were actually to be legislated.

The everyday person can think of this from a family's perspective. Take, for example, a family that's practised financial responsibility and has been growing their savings for years. Now, let's say that family has to limit its yearly spending increases to a predetermined formula. For a year that might not affect the family at all; they might be able to continue to live comfortably while growing their savings. But in a given year there are numerous instances in which the family may have to spend over the limit for a number of reasons.

Perhaps there are a number of positive reasons. Perhaps construction costs are down, and they choose to undergo home renovations, which will increase the overall value of their home. Perhaps interest rates are so low that they decide it's time to purchase a new home to support their growing family. In cases such as these the family would have to make a decision. It would have to spend above that formula for that year, or if they follow the formula exactly, they'd need to include this in the unforeseen expense category in yearly spending, which might be impossible. The problem with this unforeseen expense or investment, as many of us would choose to see it, would impact the rest of the family's budget, so they'd have to cut. Where do they cut? Do they cut groceries, take the kids out of clubs or sports, or do they simply not make that very wise investment at that time?

Mr. Speaker, when looking at this formula from a family's perspective, it's clear that while Bill 204 provides a good guideline to follow, legislating predetermined spending increases has the potential to cause a host of problems. Our government, like the family in the example, has practised fiscal responsibility and employed a prudent savings plan for years. A part of this fiscal responsibility includes engaging in what we know as smart spending. In any given year when construction costs are low, it would make sense to build necessary infrastructure projects. Albertans demand a government that provides them with the best value for their hard-earned tax dollars. If we put off infrastructure projects during a favourable building climate due to the constraints of a legislative formula that dictates our spending, we're not managing Albertans' tax dollars wisely.

Mr. Speaker, these infrastructure projects are necessary. Just ask

Albertans about their schools, roads, hospitals, and more, especially under current circumstances with our shifting demographics here in this wonderful province. Next year there will be over 400,000 seniors living in Alberta, and in 2020 there will be over 600,000. Therefore, our seniors' population will increase 50 per cent in the next decade alone. The fact is that the population growth factor in Bill 204 does not take into account that Alberta's aging population is growing faster than the overall population. That's just one of the shortcomings.

Our government is committed to providing essential services and facilities to all demographics but especially this ever-important one. A fixed-spending-based formula that does not account for the age of our population means that our government could potentially have to make massive cuts to other vital areas just to provide seniors with the infrastructure and care they deserve, which would be unfair to people of other generations. I really believe that Albertans would agree that this is not in everyone's best interest. [interjections] Thank you for the support, members, on that.

Mr. Speaker, Albertans are interested in a favourable business climate fuelled by low taxes, and they're interested in a government that responds to changing needs. I agree with the hon. member that fiscal accountability and restraint are ever important. However, Bill 204 seeks to implement a formula that is not as flexible as it needs to be, especially here and now. I believe that legislating spending increases to population growth plus inflation does not provide Albertans with the fiscal leadership and essential services that they have come to expect from this government.

Mr. Speaker, I'll state again that the intention of the bill is good. But I remain skeptical of the formula based and proposed in this bill as it does not wholly respond to the year-by-year needs of Albertans. Therefore, I am withholding my support for Bill 204 and encourage others to do the same.

Thank you, Mr. Speaker.

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

Mr. Hinman: Well, thank you, Mr. Speaker. It's truly a pleasure to rise and to address and put my full support behind Bill 204. I must say that I'm quite astounded with the discussion that's going on and the excuses that are being used on why this government doesn't want to be fiscally responsible. You know, it wasn't that long ago, less than a year ago, that I was sitting in this Legislature listening to the so-called PC Fiscal Four. It's obvious that there are no more. There hasn't been one government member who has stood up to speak on fiscal responsibility, but there are four fiscally responsible individuals in the Wildrose caucus.

It's interesting how people's attitudes speak out and want to spend other people's money. This is the case. In today's discussion it appears that they want to spend other people's money and that in no situation should they be restrained in any way, that they should have a free ability to spend as they want.

It's also interesting the amount of I want to say gossip – it's not even gossip – that is being thrown out there by this government about a PST. I think that maybe the confusion is that the finance minister says today that we're not going to have a provincial sales tax. I think that what the PST stands for in the PC caucus is the provincial spending theme. That's what they're continuing to talk about: their spending theme and how much money they want to spend.

It isn't about having the freedom to spend money when all of these so-called emergencies arise. It's about the discipline of being

able to prioritize and spend the amount of money that you have. That's why this is so important.

Actually, it really is sad when you look around at the number of jurisdictions in the world, countries and states, that are so-called fiscally responsible, yet they couldn't restrain their spending, and they ran into deficits. So then they voted, just as this government did a few years ago when they paid off the debt. They're going to run their first – what would I say? They want to not save their money. They passed a new law saying that all surplus dollars will no longer have to go into savings all of sudden because their debt was paid off. This again goes back to reflect on the situation.

4:00

The most important thing is that if we really want the Alberta advantage, if we want to spur on and have strong economic growth, we have to constrain our spending. We're in a \$7 billion plus cash deficit this year alone. For the infrastructure that they talk about wanting to build, the rate that we're spending is not sustainable. In two or three short years – mind you, they won't be here that long, so I guess we won't have to look at that problem – we're going to see this government create another crisis because they're going to have to cut back on the infrastructure spending because it's not sustainable. What you really want to have a strong economy is a sustainable budget, and that's what this is about. You get into that, you prioritize, you spend your money accordingly, and you don't have that problem.

It's also interesting to me that this government continues to speak against this when the biggest problems are growth and population and inflation. This bill would actually help such areas as Fort McMurray and Airdrie address their population and corporate growth, which this government refuses to recognize. It would actually turn the table and address those problems.

The reality is that government is no different from people. It's just that it's not held accountable like people are on a short-term basis. They have this ability to continue to borrow money, spend money. The fact of the matter is that if we look at areas like Greece, France, California, many areas like that have a major deficit, they aren't fiscally responsible, and the number of dollars that they have to spend to service their debt is unacceptable. They can't get out of that hole. That's why you want to restrain that.

The other interesting thing, though, when you actually restrain it to population plus inflation, is that as your economy grows, there is actually more. This government finally learned that with the new royalty framework. If they reduced taxes, they would increase the revenue, not reduce it. It's the same here. If we were to actually reduce the spending, in the next year you'd actually have more because you'd have economic growth.

All of the debate, all of the points they're bringing up are very shallow, short-term excuses, saying: "We don't want to be disciplined. We don't want to be restrained. We want to be able to buy votes on a minute's notice, to be able to just throw out a new project, whether it's spending \$2 billion on CO₂ or \$15 billion on power lines that we don't need." They don't want any restraint. This bill would upset their plans, their provincial spending theme, or PST, to buy themselves a new mandate from the people. But it's not going to work, Mr. Speaker. It just isn't going to happen.

What we need to do and why this bill is so important is that it's about setting priorities as a family. Every family has to be fiscally responsible. We're a family here in the province of Alberta. We need to be fiscally responsible. Restraining the spending is critical if we want to bring back the Alberta advantage.

I'm very grateful that we had that windfall of revenue from the oil and gas business in 2006, '07, and halfway through '08, but that's

gone, and this current spending increase is unbelievable. Just this last year, I believe, it was a 16 per cent increase for health care, yet the results have been . . .

Mrs. Forsyth: Abysmal.

Mr. Hinman: Well, abysmal, as my good colleague from Calgary-Fish Creek points out. It's just sad.

To think that spending money is going to solve our problems doesn't do it. You need to have the restraint in there. We need to have the accountability, where we sit down with our budget.

It's always amazing to me, too, how the budget immediately talks about: "We're not going to have health care. We're not going to have education." No, it's other areas that we don't have. We don't need to spend \$2 billion to pump plant food into the earth and claim that we don't have any money now for health care. We don't need to spend \$15 billion on power lines that, looking back, were necessary, but today we don't need to have big coal power plants or a nuclear facility thousands of miles away and put in a power line.

What we have is a priority problem of where we want to designate the tax dollars. We have a spending problem on where we're going to spend those tax dollars. If we don't acknowledge our problems, we're going to continue to have to pay an extraordinary price that we can't afford when we look back. That's the key to all of this. When are we going to really look at the true facts and realize the problems that we're facing?

We have a huge infrastructure problem. There's no question about that. How are we addressing it? We hear over and over and over again about a 20-year plan, yet that plan has not been tabled. It's not evident to Albertans. It doesn't say highway 63 to Fort McMurray or highway 3 to Medicine Hat. It just says that we have a plan. But there is nothing that has been presented to the people of Alberta. What a real plan would be is if you say: "Here's the Fiscal Responsibility Act. Here's what we're going to spend. Now, here with our infrastructure if we have \$6 billion this year, these are the projects that will be addressed first." That's a plan, to actually have the proposal written down where people can see, where people can debate, and it can be changed openly, not tweaked by some minister who wants to change things.

Another problem that we're facing is because this government continues to say: "Oh, we're not running a deficit. Oh, no, we've got the cash in the bank." We do for this year. Nobody debates that. But what about the unfunded liabilities that we have? It wasn't that long ago that this government signed a contract with teachers for five years – I believe it was January '08 – saying: here's the five-year funding. We're hearing this about health now: here's the five-year funding. It wasn't even two years into that when they wouldn't accept their own rules and contracts that they wrote, but they spent an extra \$2 billion of taxpayers' money because they failed to pay the original two-thirds that they owed those teachers. So in order to bring them back onside, they say: well, we'll pay the last third. Those are unacceptable. That's where if you were limited to inflation plus population growth, you couldn't make these types of deals and be held unaccountable.

Once again, it's always about using other people's money. This government needs to be personally responsible. We need to balance our budget. We can prioritize and spend properly and address the growth in the areas that we need to. It's about prioritizing properly, not saying that we're limited to the amount of money that we can and will spend. That flexibility is there. It's just whether we have the discipline or not to follow our spending and to prioritize it in a way that best meets the needs of the taxpayers.

Thank you.

The Acting Speaker: The hon. Member for Calgary-Nose Hill.

Dr. Brown: Thank you, Mr. Speaker. It's my pleasure to join the debate on Bill 204, the Fiscal Responsibility (Spending Limit) Amendment Act, 2010, being brought forward by my learned friend the Member for Airdrie-Chestermere and House leader for the Wildrose Alliance Party. Bill 204 proposes to limit these spending increases by the government at the rate of inflation plus population growth. I think as my colleagues have said already, we in the government caucus recognize the need for fiscal responsibility. I guess the difference would be what we define as fiscally responsible and what my colleagues on the other side would.

I can assure colleagues that the reasons that we're opposing this is not because we're not fiscally responsible, but we need some flexibility to allow governments to govern. Governments cannot be tied to a rigid formula. They can't always be expected to be in a straitjacket when it comes to government policy. One of the reasons that we can't be tied in a straitjacket is the ability to adapt to changing economic circumstances. We live in a world, Mr. Speaker, that is constantly changing. Most often those changes are not predictable even by the most skilled economists.

Two years ago our world was rocked by a financial crisis that was precipitated by events beyond our control here in Alberta and here in Canada. There was a mortgage and banking crisis in the United States. There were a lot of investment houses that failed in the United States and became insolvent. Confidence in capital markets was shaken. Many people saw their life savings substantially diminished, and many taxpaying Canadians and Albertans lost their jobs as a result of things which were far beyond our control. There was a loss of investor and buyer confidence reinforcing the economic decline, and some analysts feared, in fact, Mr. Speaker, that we would suffer a complete collapse of the world financial system, which would have led to even greater unemployment and instability and perhaps even a serious and long-lasting event such as the Great Depression of the 1930s.

4:10

Though none of this could be predicted with any degree of certainty by even the most competent economists, governments at the national and provincial level took action to ensure that the situation was stabilized. For that reason, all jurisdictions in North America were facing deficits. They undertook stimulus spending in almost every case. The objective of the legislators was very simple. It was to keep people employed, to stabilize the economy, and to ensure that an economic catastrophe like the Great Depression did not happen here.

Here in Alberta we had nonrenewable resource revenues drop from \$11.9 billion in 2008-09 to \$6 billion in the 2009-10 fiscal year. Personal tax revenues dropped from \$8.7 billion in 2008-09 to \$7.8 billion in 2010-11. Corporate tax revenues dropped \$250 million in one year from '08-09 to '09-10. But, fortunately, due to government foresight here in Alberta we had the sustainability fund to rely upon, so we didn't have to go into debt. The implementation of the spending limit proposed by my learned friend would prohibit the government from using funds set aside from past surpluses such as the sustainability fund or from reinvesting budget surpluses into additional needs such as infrastructure. Fortunately, in Alberta we did not have to make draconian cuts to services that Albertans expect, services like high-quality health care, education, and services like those provided to seniors, the disabled, and children in need.

Had Bill 204 been law two years ago, the consequences would have been grave for Albertans. The proposed spending limit in Bill 204, if it had existed in the 2010-11 budget, would have been

calculated using a combined consumer price index change of approximately zero per cent, or 0.1 negative, or at the Alberta population growth of 2.2 per cent for '08-09 to '09-10. That's data for July 1. Therefore, roughly speaking, the spending limit would have been a maximum budget increase of around 2.1 per cent more or less, or an increase of about \$770 million.

By contrast, in the government's fiscal plan the total net spending in 2009 to '10-11 increased from \$36.58 billion to \$38.71 billion, and that excludes the \$577 million in disaster and emergency spending in that category. That represented approximately a five-point increase in total expenditures of \$2.12 billion. I would point out, Mr. Speaker, that that was after the budget cuts in many of those departments, which have been alluded to by some of my friends.

The health care budget increased by \$1.966 billion, including \$759 million to pay down the health system's accumulated deficits, \$96 million in capital grants, and \$80 million in amortization, including the consumption of vaccines. Six hundred and twenty-seven million dollars in the Infrastructure budget is related to health capital facilities. These priorities and necessary expenditures would have been impossible under a spending limit like the one proposed in the bill. Therefore, spending on health care alone would put us over the spending limit without looking at other priorities such as roads and infrastructure. So the difference between the actual increases the government of Alberta made of \$2.12 billion and what the increase would have been capped at, \$770 million, would have equated to approximately \$1.35 billion that would have been chopped if Bill 204 had been in place.

Now, although Bill 204 would not set a spending limit on any specific government programs or ministries, there would have been grave implications to major ministries. Under the proposed bill even with the same serious cuts to those departments which were already cut by the government, it would have been necessary to make cuts to those big ministries like health, education, seniors and community supports, and social services. Somewhere the cuts would have had to be made to make up for that \$1.35 billion.

It's all very well to say: "Cut, cut. Live within your means. Limit increases to population growth and inflation." But where would you cut? Those cuts would have meant in the case of health care less doctors, less hospital beds, less teachers in classroom, less continuing care beds, less support for seniors. Alternatively, we could have completely cut out the infrastructure spending. But consider what the consequences might have been longer term: less employment for Albertans in a time of economic uncertainty, more people losing their homes, less people paying personal taxes. All of that would have been resulting in a downward economic spiral.

Mr. Speaker, fiscal control and responsibility have been a cornerstone of the government, but this responsibility would be highlighted by such things as paying down \$23 billion of debt and by accumulating nearly \$25 billion in savings over recent years. In a resource-based economy like ours in Alberta revenue streams are often volatile. The sustainability fund was part of the savings plan, and it was conceived as a way to even out provincial revenue when our cyclic, resource-driven economy causes income declines.

While provincial income may fluctuate, the needs of the people do not change in parallel. For example, when the economy was in decline and people became unemployed, we had a greater need for social services and for education and training. Our government recognizes that fiscal responsibility and controls are laudable goals; however, a government could never lose sight of the commitment it has to the welfare of its citizens.

A formula based on inflation and population growth might be a good target. It might be a good goal for government. It might also serve as a good measure to track and compare overall spending.

However, I would respectfully submit that the proposed formula fails to recognize the need for flexibility and adaptability required of governments in changing economic and social circumstances.

With respect to health care, Mr. Speaker, we all know that health care represents around 40 per cent of our yearly budget, and we all know it's almost every Albertan's greatest priority. Why wouldn't increases to inflation plus population growth work in health care? First of all, we know that our population is aging. Demographics tell us that our population is getting older and the needs are getting greater. [Dr. Brown's speaking time expired]

The Acting Speaker: The hon. Member for Red Deer-South.

Mr. Dallas: Thank you, Mr. Speaker. I'm pleased to have an opportunity to join the discussion on Bill 204, the Fiscal Responsibility (Spending Limit) Amendment Act, 2010, sponsored by the hon. Member for Airdrie-Chestermere. The bill proposes measures for limiting year-to-year increases to government spending, an issue that our government has taken a planned and prudent approach towards. Prudent budgeting is a timely topic for families, for businesses, for governments in the midst of a recession that's been global in scope.

Mr. Speaker, I think it's important to remember the problems that other economies are facing, in particular those of our largest trading partner to the south, the United States of America. They're reeling from the effects of a financial crisis that was brought on by years of irresponsible fiscal behaviour. Although those types of financial practices were not undertaken to such an extent here, our economy still bears some of the consequences.

Alberta is a part of an increasingly interconnected global marketplace. When other economies suffer, so too can Alberta. While we're not able to control the policies and practices of other jurisdictions, we are able to take strides to secure a more sustainable economy by planning effectively against economic volatility here at home. We can plan ahead just as families and businesses do, and that's exactly what this government has done, Mr. Speaker. In fact, due to our prudent planning Alberta entered the recent recession with no debt and over \$25 billion saved in order to protect our key programs and great quality of life.

4:20

We are now using some of this money to cover revenue shortfalls, keep taxes low, and invest in infrastructure to help grow our economy. We're continuing to build the roads, the schools, the health care facilities that are the foundation for economic growth and important to all Albertans. We're investing over \$7 billion in infrastructure just this year alone. This investment will build needed infrastructure, helping to keep Albertans working and setting the stage for economic recovery. We will remain committed to future job creation; that's a priority for our hon. Premier and every member on this side of the House. It's a part of our plan to move our province forward, a plan that will see us live within our means while continuing to invest directly in our province's future.

Due to our government's planning Alberta was prepared for changes in the economy, and we will emerge in better financial shape than any other jurisdiction in North America. Almost all provinces in the federal government are forecasting deficits this fiscal year, and while other jurisdictions grapple to deal with deficits, our government has laid out an attainable plan to balance our budget in three years. It's a plan that works for Alberta. It takes into account the uniqueness of our situation and builds on our greatest assets, our natural resources and our people.

Alberta is ahead of the rest. To cover their deficits, the federal government and the other provinces will have to go deeper into debt

while we have provincial savings to draw upon. These savings were built up in the sustainability fund to be used during hard times to protect against deep cuts to priority programs like health care and education. As demonstrated in our budget, we'll continue to support the core programs that strengthen our communities, and we will take measures to limit spending in areas where we can tighten our belts and be more efficient.

In the wake of a recession that's had a significant impact on economies around the world, Alberta is positioned to rise above and once again lead Canada and the world as an economic driver. The foresight and discipline of our government is enabling us to guide Alberta businesses and people through our economic recovery. Albertans can be confident that we'll emerge from this period with a great investment climate and a strong infrastructure.

We know these times have been tough on families and businesses. Our government will continue to support the programs that help them, and we know how to pay for the programs that make our province successful. The recession didn't happen overnight, and the recovery is not going to take place in a single day. We need a forward-thinking approach to strengthen our long-term fiscal picture, and that's what we put in place. That's why I strongly support our government's plan to move Alberta forward. It reflects the principles of the Premier, our government, and Albertans. The plan rests on four priorities that guide our decisions. They will ensure Alberta is in a strong financial position coming out of the recession and that we have advanced infrastructure, an innovative and competitive economy, and a strong health system with supports for all vulnerable Albertans.

With difficult times come tough choices; however, we're in this together with all Albertans. We made a commitment to pay for what we spend and be responsible stewards of their dollars. Our economy and our people will benefit from this approach. We've worked hard over the last year to consult Albertans on ways to address our fiscal challenges, and we will continue to work with them. We've also taken actions internally to address the fiscal challenges with a focus on keeping people working, and our government's management through this recession has protected tens of thousands of jobs.

Mr. Speaker, we've addressed spending, and we've budgeted prudently to ensure Alberta continues to be one of the best places to work, live, invest, and visit. While Bill 204 proposes an interesting budgeting tool, I don't believe it's necessarily . . .

The Acting Speaker: I hate to interrupt the hon. Member for Red Deer-South, but under Standing Order 8(7)(a)(i), which provides for up to five minutes for the sponsor of a private member's bill to close debate, I'd now invite the hon. Member for Airdrie-Chestermere to close debate on Bill 204.

Mr. Anderson: Thank you, Mr. Speaker. I rise to close debate on second reading of Bill 204. This bill is all about stable and predictable spending. It is about fiscal responsibility. We know very well in Alberta that our revenues fluctuate considerably. We cannot base our spending on these cycles any longer. Global oil prices will long determine our revenue. They do not and should not determine our spending.

Alberta used to lead the country in fiscal responsibility. Incredibly, in this decade that reputation has been totally destroyed. Bill 204 will help our government recover from its obvious spending addiction. This legislation will ensure that we restrict spending increases to the rate of inflation plus population growth. This government should embrace this bill. It is shameful that a party claiming to be fiscally responsible stewards of the public purse refuses to acknowledge the need to live within its means.

The Wildrose is not alone in our belief that the spending constraints in Bill 204 are good for current and future generations of Alberta. In a poll conducted by Crestview research just a few weeks ago, 80 per cent of Albertans expressed support of this spending limitation initiative. Only 14 per cent – 14 per cent – were against it. Albertans understand how tempting it is for government to try and spend its way out of political problems. They know the natural inclination of government bureaucracies to expand themselves and their power.

There is also support for this legislation from respected public policy think tanks like the CFIB, Canadian Taxpayers Federation, Fraser Institute, the Alberta Chambers of Commerce, and others. In fact, in the most recent OECD survey on Canada, written this last September, there is a substantial section dedicated to Alberta. In the OECD's analysis of what they describe as "the rapid deterioration in public finances in recent years" in Alberta, the OECD report says that our spending is "being squeezed in typical boom-bust fashion."

They add that "the province exhibits a clear pattern of pro-cyclical fiscal policy whereby spending is ramped up . . . in good years followed by spending contraction in bad ones. Instead of stabilising the economy," the report says, "the government has thus frequently exacerbated macroeconomic volatility." In other words, while this government complains that this legislation would be too much of a constraint on them, the OECD says that that's exactly what is needed so that they don't make our already volatile economy even more unstable.

The OECD report goes on to endorse the principle of Bill 204, arguing that "a legislated spending-growth rule, rather than the current in-year spending rule, would help anchor fiscal policy and, if respected, would avoid another acceleration of spending when the budget is finally balanced." Maybe the OECD is too simplistic.

We should not need the OECD to remind us that it's wrong to rob future generations of Albertans just because it's easier to spend more than it is to make priorities and to be disciplined. Not only is this unfair in terms of our future; it's not even good policy for this generation because it destabilizes our economy now. A spending-growth rule is the best step we could take towards ensuring that we are banking the nonrenewable royalties necessary to counteracting our boom-and-bust business cycle instead of amplifying it.

What would our fiscal picture look like if this bill had already been in place? According to figures recently updated by the Canadian Taxpayers Federation, if this government had this legislation in place since 2005-06, we would have a \$2.67 billion surplus this year instead of a record \$7.6 billion cash shortfall. That is fiscal irresponsibility. In other words, instead of raiding our savings and leaving our kids with debt – yes, hon. members, you claim there's no debt, but we just took out \$3 billion in debt this year, so we are back into debt – we could actually be adding to our heritage fund. We'd have something to be proud of today instead of the record deficits that we're racking up.

Don't talk about how this kind of restraint would have hurt our infrastructure and social services. This is a tired and socialistic argument. Restraint promotes efficiency. It promotes frugality and thrift. It causes governments to put needs before wants. It causes them to prioritize, to pool money with partnerships and invite private and nonprofit investment into the economy. Frankly, spending restraint facilitates wise choices. Perhaps this kind of fiscal restraint would have resulted in decades too late health care and other reforms that would have saved us from the health crisis that we're having today. Our government spending has grown too fast and too much for far too long, and we risk leaving our children with a mountain of debt.

Thank you, Mr. Speaker.

[The voice vote indicated that the motion for second reading lost]

[Several members rose calling for a division. The division bell was rung at 4:30 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[Mr. Mitzel in the chair]

For the motion:

Anderson	Forsyth	Hinman
Boutilier		

Against the motion:

Amery	Groeneveld	McFarland
Berger	Hayden	Oberle
Blakeman	Horner	Ouellette
Brown	Jablonski	Prins
Campbell	Jacobs	Quest
Chase	Johnson	Renner
Dallas	Kang	Rodney
Danyluk	Knight	Snelgrove
Denis	Leskiw	VanderBurg
Elniski	Liepert	Vandermeer
Fritz	Lindsay	Woo-Paw

Totals:	For – 4	Against – 33
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[Motion for second reading of Bill 204 lost]

Bill 205

Scrap Metal Dealers and Recyclers Act

The Acting Speaker: The hon. Member for Strathcona.

Mr. Quest: Thank you, Mr. Speaker. I'd like to move second reading of Bill 205, the Scrap Metal Dealers and Recyclers Act.

Bill 205 is an important piece of legislation that aims to set specific standards for scrap metal dealers and recyclers when they engage in transactions with private individuals. Currently an individual can exchange metal for money without having to produce any identification, and the details regarding the transaction are not recorded. The ease of selling stolen metals for cash coupled with their accessibility and recent increase in value has led to scrap metal theft emerging as a serious issue in Alberta. This piece of legislation will protect businesses and communities by detecting and deterring metal theft in Alberta.

The theft of metal victimizes businesses, municipalities, and taxpayers all around our province. Law enforcement in the provincial capital district electronically recorded the value of scrap metal stolen in 55 instances over a 21-month period in 2007 and 2008. In 20 of these 55 instances the value of the metal stolen was estimated to be in excess of \$5,000. It seems completely unreasonable to me that a thief could sell over \$5,000 worth of metal and in many cases drive away with cash in hand and leave law enforcement with nothing but perhaps a vague description to aid in their investigation.

Mr. Speaker, if individuals had to walk into a scrap metal dealer with thousands of dollars of stolen metal and have their identity recorded prior to the sale being completed, this may deter these crimes. In 2008 a theft in Fort McMurray involved over \$300,000 worth of copper wire being stolen. If the scrap metal dealer or recycler was required to record this information for their files along with specific information regarding the transaction, I believe many

thieves would be deterred from committing these acts of theft.

Bill 205 also places the onus on the scrap metal dealer or recycler to inform law enforcement if they receive scrap metal over a certain weight. This would help discourage large thefts of scrap metal that have been occurring around our province since the prices of scrap metal began to increase.

While the value of the metal being stolen is extremely troublesome, perhaps more troublesome is the amount of damage a thief can inflict on both private and public property in the process of stealing the metal. This victimizes both businesses and government as they incur not only the lost metal but also the costs associated with fixing the damaged infrastructure.

Mr. Speaker, in some cases the damaged infrastructure can affect thousands of people. As a case in point, this spring a copper cable was stolen that effectively left municipalities around Big Lake without phone and Internet for a whole day. Phone and Internet services provide Albertans, of course, with access to our emergency services, so potentially, if there had been a medical emergency in a community whose phone access had been disabled, the consequences could have been deadly.

The theft of copper wire can also be detrimental to a company's bottom line. In the 20-month period during 2007-2008 that I referenced earlier, 14 companies in the provincial capital district were repeatedly victimized by 51 separate acts of metal theft. I believe this bill not only aids law enforcement but will also give Alberta's businesses further opportunity to deter theft from their companies. If Bill 205 was in place, perhaps businesses who were repeatedly targeted would take steps to mark their metal, making it more easily identifiable if it was stolen. In this case the metal could be returned to the company, and the individuals who stole the metal could be charged.

Mr. Speaker, in discussions with law enforcement they've indicated that organized crime has been increasingly involved in the lucrative, relatively low-risk act of metal theft. Organized crime is a blemish on our society and one, I am proud to say, that our government has aggressively targeted. I see this bill as another tool to assist law enforcement in their effort to curb illegal activity in Alberta.

Law enforcement has been extremely supportive of this legislation. This government has placed a high emphasis on crime prevention and promoting safe communities. I'm proud to say that the Alberta Association of Chiefs of Police passed a resolution earlier this year supporting this legislation, that creates standards for scrap metal dealers and recyclers.

Numerous government initiatives have been extremely effective in reducing the amount of funds these groups have access to, and I believe that Bill 205 would certainly be an additional tool for law enforcement to curb scrap metal theft and aid in our government's efforts to ensure that Alberta remains the best place in Canada to live, work, and raise a family.

Mr. Speaker, at the end of the day Bill 205 is about protecting our province's infrastructure and businesses and providing additional tools to law enforcement in deterring metal theft. The standards that this bill sets for scrap metal dealers and recyclers are not burdensome; they are very reasonable. I believe this piece of legislation will be a valuable tool for law enforcement and an effective deterrent. In addition, I believe Bill 205 will complement this government's continued efforts to promote safe communities and a thriving business climate in Alberta.

With that, Mr. Speaker, I'll conclude my comments. I sincerely look forward to the valuable input of my colleagues.

Thank you.

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

Ms Blakeman: Thank you very much, Mr. Speaker. I'm pleased to be able to join in the debate on Bill 205, sponsored by the Member for Strathcona. You know, when I look at legislation, I think: is there a problem? Sometimes people imagine there's a problem, or it makes sense to them that there's a problem, but we really don't know if there's a problem or not. We've heard the sponsoring member describe that there is a problem and that it's manifesting itself in many different ways.

The question that always occurs to me next is: does the problem need fixing? Let me explain that. Sometimes we do discover things, but you find out that they affect, you know, 1 per cent of the population. At that point I think it's responsible to say: "What kind of a program are we going to develop?" or "How much money are we going to spend if it's affecting 1 per cent of the population? Is there another way to go about this?"

4:50

I would agree that there is a problem, and I would want a bit more investigation about how many people this is affecting, but I think it's reasonable even to give the benefit of the doubt to the sponsoring member and say: "Okay. Yes, it needs fixing." The next question is: would legislation fix it? Possibly. Then, of course, the last question is: would this legislation fix it? I have a problem with what is being proposed as the solution in this act. It's because, essentially, the solution that is being prescribed is to collect personal information from any individual that comes in with scrap metal that is going to be accepted by either a depot or a scrap metal dealer.

I listened to the member describing this. He said that this legislation would detect and deter, but in fact there's nothing in the legislation that does that. What it's doing is, you could argue, a prophylactic action in that it is taking personal information and hanging onto it so that if there does prove to be a problem, they could track down an individual and supposedly turn them over to the authorities to pursue it from there. But there's actually no other action that is prescribed in this legislation except for collecting personal information.

Now, we have three acts in Canada that cover the collection of personal information: the FOIP Act, which covers government and the public bodies; the PIPA act, which is the made-in-Alberta version for those companies and organizations that are not government but operate in the province and do collect in some way personal information; and then you have PIPEDA, which is the federal version of that. Anyone that was operating across provincial boundaries would also fall under PIPEDA, and it is possible for different parts of your business to be subject to different acts, depending on what you're doing.

When I read the legislation that is here – I'm at 3(2) under Requirements – it says, "A scrap metal dealer or recycler who purchases or receives scrap metal shall obtain and record information respecting the transaction prescribed by the regulations." Now, the obvious question is: what kind of information? Well, it's pretty clear as you work it through the rest of it is that they're looking for personal information. Well, personal information is exactly what the law has set out to protect, and there has to be a good reason.

The concept of consent is very important. There are all kinds of business transactions that go on, but it's about an individual saying: "Yes, I'm going to give you my personal information. I agree and I consent to give it to you, and we agree between myself and you how you're going to use it and to whom you're going to disclose it." There are a few exceptions in all three of those acts I described about the circumstances under which it can be used and disclosed without

the person's consent, but generally speaking, the intent is: with consent.

Well, there's no consent that's being contemplated by this legislation. It does say that they "shall inform a person entering into a transaction that the information obtained under this section is being collected." So they're informing them, but they're not asking consent. They're just saying: I'm going to take this information, and it may be handed over to the police. But it's not asking for consent, and I think that's a problem here. It may be provided to a peace officer or a law enforcement agency. Further, the recycler or dealer has to hang on to this personal information "for a minimum of one year after the transaction."

It can be quite onerous to set up a system in which you can properly collect people's personal information, hang onto it, because you're now responsible, and everything in the PIPA act says that you're responsible for that personal information. If you're going to put it on a disk and give it to a private company that's supposed to hang on to this for you and they somehow, you know, leave it in the back alley or mail it out to their grandmother or whatever, you're responsible. That scrap metal dealer or recycler is responsible for that personal information. You are asking them to now engage in a whole process they may not have been involved with at all except for if they had employees, I suppose.

Then the rest of the act is really about how law enforcement can come in and take information and go about their business with it. If people won't do it willingly – I'm assuming the scrap metal dealer won't do it willingly – then they can compel them to do it through the use of court orders, and that's all laid out in the legislation as well. I thought: well, you know, maybe there's a way. How do you deal with the situation where consent is sort of implied, but it's not sought, and it's not particularly given? It's not really a choice. You know, if you're going to give or sell this person your scrap metal, you're going to have to give them your personal information. Is that fair?

Well, when I look at the PIPA act, it actually speaks exactly to that point. It says:

An organization shall not, as a condition of supplying a product or service, require an individual to consent to the collection, use or disclosure of personal information about an individual beyond what is necessary to provide the product or service.

With any scrap metal dealer or recycler now, if you went to them, you know, what you're doing is saying: "I can write you a receipt. I received so many tonnes of this from you. There's a receipt. What's your name? Maybe put your name on the receipt." But they're not requiring any more additional personally identifying information at this point.

I think this is a problem for the purposes of this act. I understand what the member is trying to get at. I understand what problem he's trying to fix. I don't think this is the fix because the PIPA act specifically says:

The purpose of this Act is to govern the collection, use and disclosure of personal information by organizations in a manner that recognizes both the right of an individual to have his or her personal information protected and the need of organizations to collect, use or disclose personal information for purposes that are reasonable.

But nothing in Bill 205 is talking about how they are going to work with the collection, use, and disclosure of that. There's nothing in here that spells out how it's to be kept in a secure place or any of the other kinds of rules that you would expect to have when someone was collecting personally identifying information essentially without their consent. I would argue that I don't think it's much of a choice saying: if you're going to sell this to me, the only way I'll take it is if I get all your personally identifying information.

The other relevant parts of the PIPA act that I picked up. Under

section 6(1), policies and practices: "An organization must develop and follow policies and practices that are reasonable for the organization to meet its obligations under this Act," in other words the PIPA act. The PIPA act is quite clear to businesses that they have to develop a whole protocol to do with this. All of a sudden we've said to a small businessperson, a scrap collector or recycler: "Okay. Not only are you trying to get on with business now and all the other red tape and licences and such and so on that you have to do as a small businessperson, but you're now going to have to develop this whole other protocol around the collection, use, and disclosure of this personal information that you're now collecting." I really wonder how willing these scrap metal dealers and recyclers are going to be to have to develop this whole protocol. The member and I are still sitting together on the FOIP Act review, and it can be an onerous task.

Thank you for allowing me to speak in second reading.

The Acting Speaker: Hon. members, it is so close to 5 o'clock that I'm going to call it 5 o'clock. The debate on this item of business is adjourned for today.

Motions Other than Government Motions

The Acting Speaker: The hon. Member for Red Deer-South.

Promotion of Entrepreneurship

510. Mr. Dallas moved:

Be it resolved that the Legislative Assembly urge the government to enhance supports available to community stakeholders who engage in delivering education programs that develop entrepreneurial skills and promote the value of entrepreneurship in our society.

Mr. Dallas: Well, thank you, Mr. Speaker. I'm pleased to rise today and open debate on Motion 510, which, of course, urges the government to enhance support to groups delivering education programs that develop entrepreneurial skills. In addition, Motion 510 proposes to support programs that highlight the value of entrepreneurship to our society.

5:00

Mr. Speaker, Motion 510 is about recognizing the invaluable role that entrepreneurs play in our economy and in our society and taking steps to develop the entrepreneurs of our future. After all, entrepreneurship and small businesses are the cornerstones of Alberta's economy. I'm proud to say that Alberta has one of the best climates in North America for starting a small business. For example, Alberta has low personal and corporate income taxes, no provincial sales tax, and of course we have world-class infrastructure. All of these advantages have in turn prompted exceptional small-business growth.

Alberta is without a doubt the Canadian leader in small-business development. In 2009 alone it was estimated that for every 1,000 Albertans there were 89 small businesses. To put that into perspective, the national average was only 68 per 1,000. In addition, our businesses tend to outperform their Canadian counterparts. For example, in 2009 the GDP per business in Alberta was \$891,000, which is \$190,000 more than the national average of \$700,000. Mr. Speaker, it is clearly evident that Alberta leads the way in entrepreneurial spirit and development.

The question then becomes: why do we need to support entrepreneurial education programs through Motion 510 if we're already in such an enviable position? The answer to this is quite simple: commitment to improving ourselves. Just because we have the best

education system in Canada does not mean that we stop looking for teaching innovations, and just because we have the best entrepreneurial climate does not mean that we stop developing programs that support this important skill. Motion 510 will recognize the success of entrepreneurs in our communities while, at the same time, helping to develop the next generation of business and community leaders.

Mr. Speaker, perhaps the best way to understand the intent of Motion 510 is to look at an example. In my constituency of Red Deer-South the Chamber of Commerce joined with Red Deer College to put on a 10-day entrepreneurial training course. Throughout the 10 evenings students learned about business management and development as well as receiving a basic understanding of business skills like marketing and accounting.

Perhaps the most influential aspect of this course was not what the students learned but who they were taught by. Using this program as a forum, the Chamber of Commerce, Community Futures, and the Red Deer College were able to attract national and community business leaders. These are people who are entrepreneurs themselves and fully understand the risks and rewards that face a new business venture. In essence, these community stakeholders created a program where up-and-coming entrepreneurs can have a chance to learn from the successes and failures of today's business leaders.

The role of Motion 510 is to prompt the development and continuation of projects like this one, projects not run by the government but, rather, by community stakeholders like businesses, chambers of commerce, and educational institutions. The government's role would be to co-ordinate those stakeholders and help share best practices between groups offering similar programs across the province. In addition, Motion 510 was developed to recognize and encourage community stakeholders to share the programs they offer with the support of the Alberta government.

After all, Mr. Speaker, Alberta boasts several innovative programs designed to encourage entrepreneurial development. One of these programs is the youth 'technopreneurship' program, or YTP, offered by the Ministry of Advanced Education and Technology. This program does two things. One, it helps encourage the development of new, marketable technology, and two, it helps train our youth in the skills needed to be an entrepreneur in the technology industry. To accomplish its goals, this program offers cash rewards to high school and postsecondary students who aspire to build innovative technology that can be marketed.

Motion 510 encourages the government to develop more programs like this and, perhaps, look at other business fields beyond technology development. One could argue that a similar program could be set up to help foster tourism development or spur on development in medical sciences. In addition, Motion 510 encourages collaboration between government programs and the ones offered by community stakeholders.

Mr. Speaker, the final goal of Motion 510 is to simply draw attention to and promote the value of entrepreneurship to our society. As I've already highlighted, Alberta is a haven of small businesses and people committed to entrepreneurship, but oftentimes we may not fully realize just how big a role entrepreneurs play in our daily lives. Not only are they the drivers of our economy, but they are our innovators and our inventors and the people who provide employment to the majority of our population. That is why Motion 510 also encourages the government to provide supports to groups or stakeholders who promote the value of entrepreneurship to our society. These people play an incredibly important role in our communities and should be recognized for their contributions.

Mr. Speaker, in closing, I would like to stress the value and importance that entrepreneurs play in our day-to-day lives. I believe that the measures placed in Motion 510 serve to promote and

develop this important skill. If we wish to remain competitive on the world stage, we need to highlight and advance the role of entrepreneurs and small business in Alberta. Motion 510 gives us the opportunity to recognize the programs that already develop the business leaders of tomorrow while at the same time helping us to develop new programs.

With that, I'll conclude my comments and eagerly look forward to the input and ideas of my colleagues. Thank you.

The Acting Speaker: The hon. Member for Calgary-Varsity, followed by the hon. Minister of Housing and Urban Affairs.

Mr. Chase: Thank you very much. I'm going to take sort of a middle-of-the-road approach to this Motion 510, enhance support for entrepreneurial education. It would be dismissive to suggest the government adage of the government not being in the business of being in business, but that doesn't mean that under certain circumstances the government shouldn't promote good business practices.

Now, having taught for 34 years, one of the programs that worked very well in the school systems to promote entrepreneurial skills involved mentorship of individuals within the business community: the Junior Achievement program. With the Junior Achievement program junior high school students and high school students created a product, marketed that product, and then sold the product. Some of Alberta's successful entrepreneurs went through that Junior Achievement program. The Junior Achievement program to a large extent occurred outside of class time. Some class time was devoted to it, but the majority of it came through volunteers and mentors. Mentorship is an extremely important teaching tool. Having somebody that has the knowledge and can deliver that knowledge to students is extremely valuable.

Where some of my conflict comes in is that while Motion 510 is calling for greater government support for entrepreneurial education, what we saw with advanced education was a movement away from supporting a business degree by making it financially impossible for a number of students because tuition was increased, for example, at the University of Calgary and the University of Alberta to such a large extent. So for people that were seeking business degrees going through advanced education – and the ministry is advanced education, innovation, and technology – that particular movement suggested that the government was sort of giving in this motion and in that other actual action, as opposed to direction, taking away. That's where some of my conflict comes from in terms of how we can actually support this.

5:10

Something else I have a concern about in terms of entrepreneurial visions and investments is this government's viewing unions as antibusiness or antientrepreneurial. To me, the most successful entrepreneurs are those that involve their staff: as part of their compensation, for example, shares in the company. It provides a direct incentive for the employee to get involved. A case in point: the very successful airline, which basically had its roots in Alberta, WestJet, where employees not only have a direct economic investment, but they also have a direct say in how their business is run. To me, that provision of incentive within the company is a major driver. For example, WestJet has increased its share tremendously in the market. When other companies were trying to sell their planes, WestJet, a good example of entrepreneurial management, was purchasing planes.

Another concern I have, where my conflict comes from, is the remuneration of the individuals who work in small businesses. I realize that there's a tremendous amount of sweat equity. The mom-

and-pop shops, where they're the primary workers, have sometimes difficulty attracting further employees. As the vice-chair of the Standing Policy Committee on the Economy I am concerned that just simply moving the minimum wage from where it exists right now and where it's been since April of 2009, \$8.80 an hour, to our committee's recommendation of \$9.05 will see us as the second-lowest jurisdiction in terms of the minimum wage, yet Alberta has the highest per capita economic benefit.

My concern is that as we advance in our entrepreneurial endeavours, it needs to be with the support of employees as opposed to potentially being on the backs of employees. When New Brunswick and Prince Edward Island increase their minimum wage, we'll be a laggard in terms of providing never mind the idea of a living wage, which would be in the area of \$12.00 plus, closer to \$13.00 an hour, but in terms of taking the entrepreneurial spirit to a higher level by having employees who are earning above the low-income cut-off, the LICO standard. Let's, by all means, promote the idea of entrepreneurial spirit.

Another concern I have is: what is it that we're willing to sell? I'm very concerned, for example, about this potato farm. I think it's something like 13,600 acres of Albertans' land, Crown land, being turned over. In this Motion 510 we're talking about entrepreneurial spirit. Now, if the government is going to encourage entrepreneurial spirit, fairness, transparency, and accountability are part of entrepreneurial spirit.

We have to decide as Alberta entrepreneurs or future entrepreneurs what is for sale in this province. I've mentioned land. I've mentioned Crown land. Mr. Speaker, under entrepreneurial spirit I would hope that water never becomes commodified and something that would be sold to the highest bidder. We've got first in time, first in right legislation, which is part of our entrepreneurial protective nature in this province. The first in time, historically speaking, had the water licences. In terms of the first in time, first in right, again, an entrepreneurial undertaking, in forestry we see companies because of their historical connection having large shares of forestry development in this province.

If we're going to have successful entrepreneurial relations, we have to have a balance between the value of the product and the sustainability of that product. If we're going to, for example, encourage entrepreneurial spirit, we don't want to have conflicting interests. Unfortunately, that's what we've got, Mr. Speaker, in terms of multi-use. We have the value of, for example, lodgepole pines as they are on the back of a lumber truck versus the entrepreneurial spirit of tourism, parks, and recreation.

When we're talking entrepreneurial, as we are with Motion 510, to enhance support for entrepreneurial education, we have to balance what it is we're selling, what it is we're leaving for a legacy, and the sustainability of the endeavour. Whether it's entrepreneurial activities such as this motion is all about, there has to be balance. Is the price that we're selling too low for the benefit we're getting?

Thank you, Mr. Speaker, for allowing me to participate in the discussion on Motion 510.

The Acting Speaker: The hon. Minister of Housing and Urban Affairs, followed by the hon. Member for Edmonton-Centre.

Mr. Denis: Thank you very much, Mr. Speaker. I'm pleased to rise to offer some additional comments on Motion 510. I first want to thank the hon. Member for Red Deer-South – and I hope I got that right because I often confuse the two constituencies – for bringing up this motion.

Entrepreneurship is really one of the backbones of this province, I put to this Assembly. Many people from other provinces, other

countries decide to come to Alberta for many reasons, but one of the biggest reasons why, I would say, entrepreneurs decide to set up shop in Alberta is because of our favourable climate towards business. Now, the previous member, the Member for Calgary-Varsity, had indicated that it's about balance, and I would agree with that, but where I think he and I would differ is as to where that balance lies.

I spoke with the sponsor of this motion a while ago, and he clearly indicated to me that the purpose of this is to promote and support programs in Alberta that develop entrepreneurship. Now, a particular distinction between this and other arguments that I've heard in the past is that this doesn't seek to have large subsidies for new business per se. I'm not saying that all subsidies are bad, but one thing that we need to remember in this Chamber is that we're always dealing with taxpayers' dollars here, and whenever we subsidize businesses, we basically increase the tax bill of everybody else. Again, I'm not saying there can be no subsidy, but at the same point in time we have to be very careful about the quantum and the type of subsidies that we do offer. So I'm happy that the mover of this motion has not advocated subsidies but, rather, is talking about education, talking about a proper climate.

Motion 510 proposes that the government work more closely with community groups that offer educational programs to teach entrepreneurial values and skills. I like the fact that he talks about it being a community group because different types of entrepreneurship may be conducive in different areas of the province, and when you have that type of local input, obviously, there are some things that will do better in Calgary or in Red Deer that may not do well up north or in other rural areas. These community groups, of course, can include high schools, postsecondary institutions as well as business groups like the local chamber of commerce. I have to say that, again, it is a good idea to be talking with these groups from the grassroots level up.

I first got involved with Junior Achievement when I was in high school, and I learned a lot about business and about relationship building that I was able to carry later when I founded two businesses: one a communications company and the other a real estate company, the latter of which still operates today. Motion 510 recognizes that entrepreneurship plays a very critical role in our economy and in our programs, and developing this skill set in people and inspiring them at an early age is something that we need to encourage.

Now, entrepreneurship and small businesses are some of the cornerstones of our economy in this province. Developing and recognizing this skill set talks about our future economic growth in this whole province. I have to say as well that Alberta is a leader in small business development.

5:20

Mr. Rodney: Agreed.

Mr. Denis: I'm happy the hon. Member for Calgary-Lougheed agrees with me.

I was able to grab a couple of stats here. For example, in 2009 it was estimated that for every thousand Albertans there were 89.2 small businesses. Now, that doesn't seem like a lot, around 8, 9 per cent, but at the same time when you compare to the national average of 68.1, that gives testament to the importance of small business entrepreneurship to our economy in Alberta.

In addition, it's worth noting that the GDP per business in Alberta was \$891,000. Again, the national average was \$700,000. Now, between 1988 and 2008, Mr. Speaker, about 22,000 small businesses were created in Alberta. This is an increase of 22 and a half per

cent. I think this is something that we need to consider, that these people, whether these businesses succeed or fail, are taking a significant risk with their own capital and their own time throughout this entire province. Contributing with these risks, whether they succeed or whether they fail, does help bolster our economy, particularly in a challenging time.

I have to also indicate, as we mentioned earlier, that Alberta has very low personal and corporate taxes. Alberta has no PST, and as long as the Premier is the Premier, he has indicated that there will be no PST in this province. We also have highly developed infrastructure and transportation networks and a government committed to trade and openness through things like Bill 1 in 2008, which dealt with TILMA. But the most important thing to note here is that we have a very strong climate for wealth creation in this province, and that's where I think the balance is important.

We also have some current programs as well. We offer several programs designed to help people start or expand their own business. Motion 510 would work with and support these programs as well as draw attention to programs offered outside the government. This is important, too, because I often have many people who will call my office, and I'll indicate to them something that we actually do, and they have no idea. Not everybody actually goes and looks at every program like we do under the dome here. So this is important to increase this awareness.

We have things like the Business Link, which is a nonprofit organization funded by our government and the government of Canada. We have things like Employment and Immigration's self-employment program, another joint program with the federal government. We also have our own programs like the youth 'technopreneurship' program, which I wasn't aware of before I started researching this. It's run by the Ministry of Advanced Education and Technology, and it aims to develop entrepreneurs dedicated to technological information. This program, again, targets youth in high schools and postsecondary institutions, offering large cash rewards to youth who develop innovative technologies.

Another one that's interesting, Mr. Speaker. We also have the Alberta youth entrepreneurship camp. The Alberta youth entrepreneurship camp is a week-long summer camp that is offered to Alberta youth. At this camp learners learn basic business skills, and campers own and operate their own small business community using real money, interestingly enough. This program is an example of how Motion 510 hopes to promote entrepreneurship in this province. It's an educational entrepreneurship program put on by both the government and community stakeholders.

I do want to respond just briefly to a couple of comments made by the Member for Calgary-Varsity. He talked about tuition, and he talked about how tuition is high. It's true. Education, Mr. Speaker, is expensive, and I paid some of those tuition bills in my youth as well, but at the same time we must understand that there also is a cost to education. It's already subsidized highly by the taxpayer. It's about creating a balance. For those who cannot afford tuition – and I do have some sympathy, being a former student leader myself – many of these people can go and seek assistance on an individual basis through scholarships, bursaries, and loans. We have to strike the balance between the cost of education but also the cost that the taxpayer pays for this education. I recognize that there is an external economy dealing with postsecondary education. We need to educate the leaders of tomorrow, but also they must share in that cost of the tuition with the taxpayer. I think that this government has endeavoured to strike a balance there.

The other thing the Member for Calgary-Varsity mentioned was that many businesses who actually go and share the profits through options, what have you, with their employees are, in fact, successful

businesses. I'd have to agree with him there. He cited the example of WestJet. Well, I have to say, Mr. Speaker, for this member's edification and information, WestJet actually doesn't have a union. In fact, I'm not against unions per se, but at the same point in time WestJet provides an example out of my home city of Calgary that you don't need to have a union to have responsible business. They have an association. They share their shares with their individual employees. In fact, several friends of mine work there. They keep on telling me that their slogan is: because owners care. Everybody is a member of that organization. WestJet has been very profitable for our city and for our province, but at the same time just because you don't have a union doesn't mean that you're having irresponsible business practices.

Those are my comments, Mr. Speaker. I would suggest that every member support the Member for Red Deer-South's Motion 510. Thank you.

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

Ms Blakeman: Thank you very much, Mr. Speaker. I was really interested to see this motion brought forward by the Member for Red Deer-South because I think it's a fine idea. I think there are a couple of areas that really drive our province and make it better, and one of them is entrepreneurial skill, including that understanding of risk taking. I mean, that's the deal, right? You venture your capital, you risk it, and if you've got a good business idea and you run it well, you're going to reap the benefits big time. I think that appeals to a number of people, and they may not necessarily have the skills.

Now, according to the previous speaker there is a considerable number of agencies that are available to help teach or mentor individuals who want to pursue that line. I know that the Member for Calgary-Varsity also mentioned a couple of organizations.

I certainly have no hesitation in supporting what the member is recommending here. I've had a little bit of experience with this because one of the schools that I have in Edmonton-Centre – and I don't have a lot of them, so I have the privilege of being able to spend more time in my schools than most MLAs can just because I have fewer of them – got involved in a project called MicroSociety, which was actually a project out of the States. This particular school really went for it. They ended up raising money to redo some of their hallways. They had signage and storefronts and things like that.

It really was a project that was very focused on having kids involved. Every Friday afternoon they did MicroSociety. Their other classes were suspended. This was their learning experience. On the Friday afternoon they were each assigned a task. They might be a member of the government, which would be making decisions and rules about things. They had a police force, or a security force. They had a post office, and they had tax collectors, interestingly enough. Everything else in MicroSociety was about entrepreneurship; it was about making and selling. The hallways were filled with kids that did bookmarks and things to eat and all kinds of opportunities for them to buy and sell.

I was always really interested that there was so much focus on the business side and almost no recognition of how much of our society is and should be involved in the public side of our society. MicroSociety did recognize government, and it did recognize policing – I would put taxation under the government side, so I'm not going to make that a separate one – and the post office. So they really recognized three parts of what is in our public sector, but they didn't recognize all the rest of our public sector.

Government, obviously, is a huge employer of people and a big

part of our public sector, but so are schools. The admin staff, teachers, janitorial staff, even the people who built schools until the government started doing P3s would also be involved in that public sector.

People involved in hospitals are involved in the public sector. The nurses, the technicians, the doctors, the administrators, the porters in the hallways: all of those people are employed in the public sector.

In the universities, again, it's a public body; it's public sector. Most people involved in recreation are involved in the public sector. They're working for a not-for-profit generally. People involved in the arts: individually, yes, they are entrepreneurs because they're selling their work or attempting to, but generally they come together in a co-operative agreement and will often be working for a not-for-profit theatre or dance company or art gallery.

5:30

The charities that we have are also huge employers if you look at United Way or all the ones that are involved in the health sector: the Diabetes Foundation, the Kidney Foundation, the Schizophrenia Society, the cancer-supporting agencies, those charities that work with the poor or the homeless or, for example, with HIV research and offering services to people who are living with HIV, all of those organizations involved in child welfare and protection and safety. Those are all in the public sector, as are those that work in the parks sector that aren't government parks, in the environment, in many cases churches, for the most part research and development, philanthropy, all of those involved in the justice system, in the jails, that whole spectrum from policing through the judiciary and to the jails and then on to those not-for-profits that deal with people in resettlement in halfway houses coming out the other side.

There's such an emphasis in our society on the business sector. I mean, it's far more valued to have a bachelor of commerce than it is, for example, to have an arts degree. We already put a lot of emphasis on the business side, the private corporate side of our society, and not very much respect or value on that whole side which employs an equal number of people, which is the public sector. So I have no problem in supporting what the Member for Red Deer-South is suggesting here. I think that's always a good idea. Certainly, education is never going to hurt.

The other area that I would suggest needs a little beefing up these days in the schools and a little bit more help is civics, the whole idea of being a citizen and participating in our society, including participating as a voter. We seem to be struggling with that right now, and a number of people just have no idea of how this whole system works anymore. We touch on it very briefly in grade 6 and grade 9, and that's about it. So anybody that wants to come up with a motion to increase civic participation would certainly get support from me.

As I said, I'm more than willing to support what the member has proposed here. I'm just trying to put forward that there are other parts to our society that do make it a good place to live, to learn, to work, to play. We're looking for a quality of life. That does involve a balance, and the balance is more than just the corporate sector and entrepreneurship. It can certainly bring us great wealth and great ideas in many cases, but all of us could probably name more well-known entrepreneurs than we could name well-known artists, for example.

I think I'll support this, but I want people to also be thinking about the other parts of our society that are just as deserving of attention and support. Thank you.

The Acting Speaker: The hon. Member for Wetaskiwin-Camrose, followed by the hon. Member for Calgary-McCall.

Mr. Olson: Thank you, Mr. Speaker. It's my pleasure to also join the debate today on Motion 510. I've very much enjoyed listening to the comments of other speakers, and I think this is a very important topic for us to debate because it's so essential to Alberta and to what Albertans are.

I have attended a number of events where I've run into people who have come from outside the province and have offered, unsolicited from me, an observation that they find Albertans to be very optimistic people with a can-do attitude. I would submit that that's what you need to be to be an entrepreneur. You know, I think Albertans are optimistic people, and that's what makes them good entrepreneurs. I certainly would acknowledge that small family-owned businesses in Alberta are the cornerstones of our economy and, certainly, the Canadian economy as well.

Some of the other speakers have offered some statistics to support the strength of Alberta entrepreneurship. They have kind of scooped me on some of those, so I won't repeat them, but I do have a few other ones which come from the Alberta Business Family Institute. Family-owned business generates approximately 60 per cent of Canada's GDP. It employs 6 million workers in Canada, full- and part-time, and creates 70 per cent of all new jobs in North America. It also provides – and this I find very interesting – 55 per cent of all charitable contributions. So family businesses, entrepreneurial groups are people with a public conscience, certainly, and a social conscience, too.

I mentioned the Alberta Business Family Institute. That's one of the many organizations supported by the taxpayers of Alberta, this one through the University of Alberta, that does great work in building and supporting entrepreneurship. Attached to the Alberta Business Family Institute is a project called creating pathways for entrepreneurial families. That group actually is based in Camrose, in my constituency, associated with the University of Alberta. Their focus, their initiative is rural development.

Now, even though we have great support for entrepreneurial activities in Alberta, we shouldn't think that there's no work left to be done. There are still great challenges, and that's the reason I think this motion is so important. A couple of sobering statistics also come from the same organization, the Alberta Business Family Institute: 70 per cent of family-owned businesses fail before they're passed on to the second generation, 88 per cent fail before they're passed on to the third generation, and 97 per cent fail before they're passed on to the fourth generation. Obviously, there's still lots for us to learn about how to sustain a good idea over generations.

No community can really be whole without a healthy local economy, and to have that, you need businesses and entrepreneurs, you need a skilled and educated workforce, and you need infrastructure. It's kind of a package deal. Just having people with entrepreneurial spirit does not create a healthy economy. We need all of these things together. That's where I think government support and encouragement can also come in.

We live in a competitive world, where it's very important for us to maintain and even redouble our efforts in supporting business because business creates jobs and wealth. I'll just give an example of where there's great potential for us to do good, and that would be in aboriginal communities, the youngest and fastest growing segment of our population in Alberta. If you think about many aboriginal communities, they have challenges in terms of economic development, and there may be less entrepreneurial activity than they would like. That, certainly, is an area where I would like to suggest that government could devote some resources and support.

We do have, actually, some initiatives such as the aboriginal entrepreneurship certificate program on eCampus Alberta, which assists with marketing, communications, accounting, law, and so on.

The creating pathways project, that I mentioned earlier, also is active in that area. But lots more could be done to help train our young people across the province in all areas. From my perspective, certainly, it's important for rural areas.

I want to thank the hon. member for bringing this motion forward. I think it's important for us as an Assembly to make a strong statement about our support for this topic. With that, I encourage all members to support the motion.

Thank you.

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

Mr. Kang: Thank you, Mr. Speaker. I'm pleased to rise to speak to Motion 510, sponsored by the Member for Red Deer-South. Enough has been said about small businesses creating good jobs in the economy and that small business is the backbone of any economy. There's no doubt that small and medium enterprises are the engine for growth. Whatever it takes to increase entrepreneurship will be great for Alberta's economy. It will go a long way to setting up more small businesses and improving not only the health of the economy but improving the quality of life for Albertans as a whole.

5:40

It will not only create much-needed jobs; if the entrepreneurs are trained at a younger age, then the likelihood of them setting up businesses will be greater than somebody who has no insight into small business, and they will most likely succeed in the small business they set up. I can give you the example of my son. He started working at a Subway because he wanted to do something on his own. He ended up buying a Subway franchise, which he is selling now. He's moving on to something else. He has been employing 10 to 12 people.

I can talk about immigrants coming from India. This gentleman never even walked behind a school, never mind going to school. He came here and worked hard, and then he started building homes. I think I mentioned this before. I called him. I wanted to build a deck on the back of the house. He came and he told me, "We will use teeter wood." I didn't know what he was talking about, and I've been here 40 years. You know, I said: "Yeah. Yeah." I didn't want to look like someone who didn't know what he was talking about. I told him: "Yes. Okay. You come tomorrow, and we will go and get whatever you need." I was wondering what "teeter wood" was. I went to bed that night, and in the middle of the night I woke up, and all of a sudden it came to my mind that he was talking about treated wood. He was talking about treated wood, but he was saying, "teeter wood." Up until today he still calls it "teeter wood." This guy has a small business. He's a businessman. He's building homes. He's a small home builder, and he's been employing 25, 30 workers. This is the spirit of small business, you know. It goes a long way to creating those jobs, which we need.

There are some benefits to entrepreneurship education. The benefit to elementary schools is that it increases attendance. There is a whole list of benefits: fewer discipline problems and an increased sense of self-control, awareness of career and entrepreneurial options. Then it goes on to say that benefits to middle school students continuing on to high school are to improve academic skills; to experience entrepreneurship across the curriculum; to improve economic literacy and understanding of capitalism; to improve financial literacy and develop workplace literacy; to demonstrate conflict resolution, negotiation, sales marketing, and persuasion skills and learn how entrepreneurs give back; and to learn how to make money. All these things will shape a young person's life.

Then the benefits to high school students, it goes on to say: creation of entrepreneurial thinkers who also have the skills and tools to start their own business, write a business plan, and apply economic principles. It further goes on to say: manage risk – risk is a major factor in setting up a small business, and if they can do their business plan, most likely they will know where they want to go with their small business – engage in ethical business practices, demonstrate financial management. Then it goes on further: provides benefits to postsecondary and adult students. So there are lots of benefits in having an education in entrepreneurship.

Entrepreneurship has been a defining feature of Alberta's history and is a cornerstone of our economy today. If Alberta is going to maintain a high standard of living compared to the global economy, we are going to need entrepreneurs and lots of them. Entrepreneurship education needs to focus on young people as well as communities that haven't shared in Alberta's prosperity as much as they should have, such as aboriginal communities.

We can go on to add new immigrants because it's very hard for them to start their new life. You know, some people were doing business, probably, in their respective countries, and when they come here, they are just shocked, you know, about where to go, where to start. If they are trained to set up a small business, I think that will go toward helping our economy as well.

Our higher education institutions and our cities have been doing a good job creating entrepreneurial cultures, but further government support for education would go a long way. I think this motion will, you know, strengthen that argument. For those reasons I'll fully support this motion.

Thank you very much, Mr. Speaker.

The Acting Speaker: The hon. Member for Strathcona, followed by the hon. Member for Red Deer-North.

Mr. Quest: Thank you, Mr. Speaker. A pleasure to speak to Motion 510, brought forward by the hon. Member for Red Deer-South. The motion urges the government to enhance supports to community stakeholders who engage in delivering educational programs that develop entrepreneurial skills and promote the benefit of entrepreneurship to our society. It doesn't get much more positive than that.

Prior to being elected, I was self-employed as a General Motors dealer. I took that business over in 1995, and I pretty much had to learn by trial and error in the first years that I owned that dealership. Mr. Speaker, things have changed since then. From 1988 to 2008 Alberta led this country in small-business creation. In this 20-year period over 22,000 small businesses have been created in this province. Numerous programs have aided Albertans in their business ventures and helped ensure that Albertans are leaders in small business and in entrepreneurial enterprises.

One such program, the Business Link, has supported business development in Alberta since its inception. The Business Link provides services to small-business leaders on a variety of topics, including basic business planning, taxation, and legal planning. I'm proud to say that in my constituency the Strathcona county economic development and tourism branch has done great work in aiding small businesses and entrepreneurs. This branch regularly holds consultations for starting a business in the county and conducts visitations for existing businesses in our county. Mr. Speaker, this branch also works closely with the Sherwood Park & District Chamber of Commerce and assists businesses who are expanding or diversifying by providing business opportunities and information and additional resources that are available to them. The Strathcona county economic development branch and the Sherwood Park & District Chamber of Commerce have done a great job in promoting healthy

business in our community. I think back to my early days of self-employment, and I really would have appreciated the guidance of groups like this in a number of different areas.

As stated earlier, the number of small-business creations in Alberta is the highest in our country. Our government has a solid record of providing educational tools to small businesses and entrepreneurs. I commend the Member for Red Deer-South for recognizing that the demand for these tools is increasing, as is the value of entrepreneurs in Alberta. I fully support Motion 510 and encourage all members of the Assembly to join me.

Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Red Deer-North.

Mrs. Jablonski: Thank you, Mr. Speaker. I know my time is short, so I'll shorten up my remarks, but I want you to know that I am a very strong supporter of this Motion 510, urging the government to enhance supports to groups delivering education programs that develop entrepreneurial skills. In fact, I'm very excited about entrepreneurship in our province.

Mr. Speaker, I remember the day 30 years ago when I crossed the border into Alberta with my family and the feeling of freedom that I immediately felt. I came from a manufacturing province with well-established business, industry, and corporations, with a lower percentage of small businesses than Alberta. I soon realized that I had moved to a province that would give me and my family the freedom to create that would match our spirit to achieve. Thanks to the support of entrepreneurship in Alberta my family and I were encouraged to plant our entrepreneurial roots and to grow two very successful small businesses.

5:50

Mr. Speaker, 95 per cent of all business in Alberta is small business. While small business is the backbone of our economy, entrepreneurs are the backbone of small business. That's why it's so important to support entrepreneurship in this province. In fact, the city of Grande Prairie was recently named Canada's most entrepreneurial city by the Canadian Federation of Independent Business. Red Deer has also been identified as one of Canada's top entrepreneurial cities. In fact, the Canadian Federation of Independent Business ranked Red Deer as number 7 in its study *Communities in Boom: Canada's Top Entrepreneurial Cities*. Thank you for that.

Mr. Speaker, we have a tradition of entrepreneurship in Alberta, one that this government is proud to support. As I promised, I will keep my remarks short because we did talk about some of the programs we already have in place to make entrepreneurship in Alberta successful. Since we've heard about some of the programs that we already have, I won't repeat them. I'll just conclude by saying that it's evident that there's a lot of entrepreneur training offered in Alberta, and as a province we will continue to rely on the drive and innovation of entrepreneurs to advance economic strength in Alberta.

I want to thank the hon. Member for Red Deer-South for bringing forward this motion. I ask this government to continue to support

opportunities in this area so that Alberta can continue to offer the freedom to create for those who have the spirit to achieve.

Thank you, Mr. Speaker.

The Acting Speaker: Any other members wish to speak? There are two minutes left.

Then I will ask the hon. Member for Red Deer-South to close debate.

Mr. Dallas: Well, thank you very much, Mr. Speaker. Indeed, it was a pleasure to listen to the comments of all hon. members that weighed in on Motion 510 this afternoon. I really enjoyed the perspectives that were shared, and I think there were some excellent thoughts that came out of this. We started with some discussion around education and the importance of education in our society and, in particular, access. I think it brought to light for me the good work that's being done with Campus Alberta and the laddering opportunities. No matter where you start, where you are in our province, whether you want to achieve a diploma, a certificate, a trade, and you want to continue to progress to a different level of education, those laddering opportunities are provided through access that's created around our province. Our president at Red Deer College often is quoted as saying, "If you're qualified, we'll take you; if you're not qualified, we'll get you qualified," and that access leads to many opportunities for our youth.

We talked a bit about the importance of wealth creation and how it really is a function of our outlook on our society, the encouragement that's provided by mentors, the educational opportunities, the variety of financial instruments that can support a venture in our province, the ease of entry into business—we didn't talk today about BizPaL, which is a great new program supported by Service Alberta throughout the province—and, of course, the importance of mentoring opportunities.

You know, whatever sector of the economy you're in, if you're in the arts sector or you're in agriculture, there are entrepreneurs. In any geography, if you're in Milk River or if you're in Zama Lake, there are opportunities in this province. Any age: we talked about youth, but also we have senior entrepreneurs in our province and some great ones. Finally, whether you're new to Canada or you're a fourth- or fifth-generation Albertan, the opportunities are equal.

Mr. Speaker, I encourage all of the members of the Assembly to support Motion 510. Thank you.

[Motion Other than Government Motion 510 carried]

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

Mr. Denis: Thank you very much, Mr. Speaker. Given that it is 5:55, I would move that we call it 6 o'clock and that the House stand adjourned until 1:30 tomorrow.

[Motion carried; the Assembly adjourned at 5:55 p.m. to Tuesday at 1:30 p.m.]

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