



Province of Alberta

The 27th Legislature  
Fifth Session

# Alberta Hansard

Tuesday, February 21, 2012

Issue 8

The Honourable Kenneth R. Kowalski, Speaker

## Legislative Assembly of Alberta The 27th Legislature

Fifth Session

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Cao, Wayne C.N., Calgary-Fort, Deputy Speaker and Chair of Committees  
Zwozdesky, Gene, Edmonton-Mill Creek, Deputy Chair of Committees

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	Woo-Paw, Teresa, Calgary-Mackay (PC)
	Xiao, David H., Edmonton-McClung (PC)

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Progressive Conservative: 67      Alberta Liberal: 8      Wildrose: 4      New Democrat: 2      Alberta: 1      Independent: 1

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Swann  
Woo-Paw

## Legislative Assembly of Alberta

1:30 p.m.

Tuesday, February 21, 2012

[The Speaker in the chair]

### Prayers

**The Speaker:** Good afternoon.

Let us pray. As we gather to begin a new week in our Assembly, we are reminded of the blessings which have been bestowed upon Alberta, and we give thanks for this bounty. May we conduct ourselves in our deliberations in ways that honour our province and all of its people. Amen.

Hon. members and ladies and gentlemen, we'll now participate in the singing our national anthem. We'll be led today by Mr. Paul Lorieau, and I would invite all to participate in the language of their 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 Guests

**The Speaker:** The hon. Member for Edmonton-McClung.

**Mr. Xiao:** Thank you, Mr. Speaker. I'm pleased to introduce to you and through you to the members of the Assembly a group of 37 students from Patricia Heights elementary school and their teacher, Keri Clifford, teacher assistant Margie Schneider, and René Allen. They are sitting in the public gallery. I would like to ask them to rise to receive the traditional warm welcome of this House.

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

**Mr. Mason:** Thank you very much, Mr. Speaker. I'm pleased to introduce to you and through you to all members of this House 34 brilliant young students from Norwood elementary school. They are accompanied by their teacher, Ms Judith Brouwer, as well as Jeanna Baty, Bernadette McMechan, and Ms Julie Walsh. I would ask them now to please rise and receive the warm traditional welcome of this Assembly.

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

**Mr. Zwozdesky:** Thank you very much, Mr. Speaker. I'm very humbled to introduce to you and through you some family members of Mr. Vern Davis, who passed away on February 1, 2012. As many here will know, Vern Davis was an Alberta hockey icon, which included being awarded the Guinness world record for the world's largest hockey tournament on ice, a legacy that I will expand on shortly. I will ask each family member who is seated in your gallery, Mr. Speaker, to rise as I call their names and to remain standing so that we can applaud them all as one: son Darrell and his wife, Karen Davis, son Brian Davis, and Vern's

ever-loving wife and companion of more than 62 years, Maria Davis. Please join me in welcoming this outstanding family.

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

**Mr. Elniski:** Thank you, Mr. Speaker. I have two introductions today. The first one I'll do is a group called the Harmony Dialogue Group, who are certainly no strangers to us and have been here before. We have with us today Mr. Ibrahim Cin, Mr. Taner Tunalı, Mr. Alim Koc, Saki Cansev, and Muhammed Cetin. I would ask them all now to rise and receive the traditional greeting of the Assembly.

My second introduction today is a group of 24 students and three adults from one of my favourite schools in Edmonton-Calder, l'École St. Angela. With us today is teacher Mrs. Carmel Perry and parents Mrs. Sofia Russo and Mrs. Videlyn Castro. I'd ask them also to rise now and receive the traditional greeting of the Assembly.

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

**Mr. Berger:** Thank you, Mr. Speaker. It's my pleasure to rise today to introduce to you and through you to all members of the Assembly five members of the Alberta Cattle Feeders' Association. They are seated in the members' gallery, and I would ask them to rise as I call their names: Brent Chaffee, chairman; Doug Price, past chair; Martin Zuidhof, director; John Lawton, director; and Bryan Walton, CEO. They're visiting here today to meet with members of rural caucus, and I would ask that they receive the traditional warm welcome of the Assembly.

**The Speaker:** The hon. Member for Calgary-Foothills.

**Mr. Webber:** Well, thank you, Mr. Speaker. I'd like to introduce to you and through you to all members of the Assembly a young man who is a friend of mine, Mr. Robert Sallows, who has come up here from Calgary. We met earlier today with the Minister of Health and Wellness regarding setting up an organ donor registry. Mr. Sallows was a recipient of a double lung transplant back in 2005, and he has been thriving ever since. He's a recent graduate at the University of Calgary in the commerce program. He is well known also in the political arena, and many of my colleagues will recognize him as a long-time member of the Progressive Conservative youth association. I'd ask that Robert Sallows please rise and receive the warm welcome of the Assembly.

**The Speaker:** The hon. Member for Lethbridge-East.

**Ms Pastoor:** Thank you, Mr. Speaker. I'd like to introduce to you and through you to this Assembly a friend from Lethbridge. Phyllis Pylypow has been an acquaintance since the days I served on city council, not quite ancient history. Phyllis served as the administrative assistant for 19 years for the Green Acres Foundation, a foundation that is for seniors' housing which also provides care and personal service. She was also the administrative assistant in the central office of the provincial association for senior citizens' homes in Alberta. She served on many city committees and also regional boards such as southern Alberta water management and the sugar beet industry during their troubles in the '90s. She is now retired, and her wish is granted to visit this esteemed Assembly. I would ask Phyllis to stand and be recognized.

**The Speaker:** The hon. Member for Highwood.

**Mr. Groeneveld:** Thank you, Mr. Speaker. Today I'd like to introduce to you and through you to members of this Assembly three special guests from the Highwood constituency. Today I have two of my grandchildren visiting the Legislature, Quinn and Chloe Groeneveld. Quinn George, by the way, is a grade 6 student in Blackie school and plays hockey for the Blackie Tigers. Chloe also attends Blackie school and has spent most of her life at the rink either cheering on both of her brothers or participating in the CanSkate program. She is the ultimate rink rat. Today they are accompanied by Gramma Judy, who told me I was not to call her the love of my life or my best supporter or anything silly like that because after 47 years of marriage most people would assume that. I'm very proud that both Quinn and Chloe urged their grandma to bring them to the Legislature for a tour and question period before hitting the fun spots of Edmonton. I would ask my family to now rise and receive the traditional warm welcome.

**1:40**

**The Speaker:** Are there others?

Then join with me in wishing two hon. members a happy birthday: the hon. Member for Cypress-Medicine Hat and the hon. Member for Edmonton-Mill Woods. Happy birthday to both of you.

### Members' Statements

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

#### Vern Davis

**Mr. Zwozdesky:** Thank you very much, Mr. Speaker. As I mentioned a few minutes ago, Mr. Vern Davis was an outstanding hockey icon in our community. It was 50 years ago that Vern and Eric Reilly collaborated to create a new hockey tournament for kids in Edmonton, one that would allow young players in Edmonton to play teams from all over the city, including travelling to all four corners of Edmonton, something that was unheard of in the 1960s. Vern became a volunteer member of the tournament committee, a position that he served valiantly for 49 consecutive years.

This phenomenon, which we now know as Quikcard Edmonton Minor Hockey Week, is a week-long tournament that features over 700 games with more than 500 teams participating and over 6,000 young hockey players, boys and girls. Vern's and Eric's vision was that everyone would come out and support and volunteer for the kids, and they did. They also made special rules that ensured that every child played at least two shifts per period. The growth and popularity of this tournament is now legendary, and in 2003 Vern Davis was given the *Guinness Book of World Records'* award for helping organize the largest ice hockey tournament in the world right here in Edmonton.

Vern was also the sports director for the Westmount Community League and the bantam hockey director and secretary for the Northwest Community Athletic Association. He also helped form the Little Richard hockey league, the Edmonton Minor Hockey Association awards banquet, and the junior C hockey league. In 2008 Mr. Vern Davis was inducted into the Edmonton Sports Hall of Fame.

Mr. Speaker, I knew Vern Davis as a hockey associate and mentor. I credit him for helping to inspire my own involvement in hockey, and that includes my role as a hockey referee for many years. In fact, I recall refereeing seven games three weeks ago for Quikcard Edmonton Minor Hockey Week right here in town.

On behalf of all the members here and on behalf of hundreds of thousands of young hockey players, officials, coaches, other referees, and all the hockey moms and dads, many of whom you see right here before you, we say thank you, Maria, to you, to your husband, and to your family for the outstanding contributions that Vern Davis made on and off the ice.

Thank you.

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

#### Tribute to Staff

**Mr. Taylor:** Thank you, Mr. Speaker. This is one of those jobs that would be impossible to do without the support and assistance of a lot of unsung heroes behind the scenes, and I want to take this opportunity to publicly thank the people who have been so invaluable in helping me do my job since I first got elected in 2004.

First, thank you to all the volunteers and members of our constituency association. I guess I should say in this case "associations" as there have been three of them over the course of my political journey. While not every member and volunteer has followed me on that darn fool idealistic crusade, a surprising number have. I want to thank you all for your understanding and your support as I did what I felt and you agreed I must do in order to properly serve my constituents.

Thank you to the folks in my constituency office: my executive assistant, Michelle Bodnar; caseworkers extraordinaire Ruth Huber and Gwyneth Midgley; legislative assistant Jacquie Lycka and researcher Evan Galbraith in the Alberta Party caucus office for being my diggers, my doers, my frequent miracle workers, my eyes, my ears, my brains more often than I'd like to admit, and my counsel.

To those who have moved on almost always to better paying jobs, Amanda Kriaski, Terry Rahbek-Nielson, Evan Woolley, and Andrew MacGregor as well as summer interns Janet Hails, Ana Cleveston, Bil Hetherington, Jeff Homer and John Jay Atwood: it was a pleasure and an honour to have each of you along for parts of the journey.

Thank you as well to Glenn Hughes and Nik Atwal here in Edmonton for your help in years past. And thank you to the entire staff of the Legislative Assembly Office. To my two incredible campaign managers, Donn Lovett in 2004 and Barry Davidson in 2008, I have been very fortunate to have you both on my team.

To our kids, Scott and Jennifer, thanks for always being interested in what dad's been up to even as you've begun to make your way in and your mark on this world.

To Martha, who knocked me off my feet for the first time 29 years ago next month and who continues to amaze me, I don't think I will ever understand why you went along with this, but thank you for believing in me. I could never have done this without you. I would never have done this without your blessing, and I'm looking forward to being home.

Thank you.

**The Speaker:** The hon. Member for Edmonton-McClung.

#### International Mother Language Day

**Mr. Xiao:** Thank you, Mr. Speaker. [Remarks in Mandarin] I just said in my mother language, Chinese Mandarin, that I rise today to acknowledge an important occasion, International Mother Language Day. This event was proclaimed by UNESCO in 1999 to commemorate the deaths of students in Bangladesh in 1952

who were protesting to have Bengali accepted as an official language.

Today International Mother Language Day is celebrated as a day to promote the preservation and protection of all languages used by peoples of the world. Although this occasion originated in a country far from here, it has significance in every part of the world, including Alberta.

Language is an important part of any culture. It enables us to describe, discuss, and understand the world around us and to connect to our heritage and to others. While it may seem that languages can divide us, what this day seeks to demonstrate is that we can be united by our diversity and by our appreciation for the beauty and value that each language has to offer.

Mr. Speaker, preserving one's mother language is of the utmost importance, and through programs such as the aboriginal language program our government is working to ensure that this happens.

It is also valuable to learn other languages. In doing so, you open up new opportunities to enjoy literature, art, and music and to connect and share experiences with people from different cultures.

As Alberta continues to expand its relationships beyond our borders, our respect for and knowledge of a number of world languages will help us to build strong international connections.

On this day, International Mother Language Day, I want to say, Mr. Speaker, that I feel very fortunate to live in a province that respects and values the diverse languages of its people.

Thank you.

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

#### Health Quality Council Review

**Mrs. Forsyth:** Thank you, Mr. Speaker. Tomorrow the Health Quality Council will deliver its much-anticipated report into the bullying and intimidation of health care professionals in Alberta, who, I've often said, are the glue that holds our broken health care system together. I take this issue very seriously as I have spoken with several doctors too afraid to go public about the despicable bullying tactics of this government and its health superboard.

A few brave souls like Dr. Tony Magliocco, formerly of the Tom Baker cancer centre in Calgary and now practising in Florida, who have been driven out of this province have come forward with their own personal stories of being threatened and bullied by this government.

I am optimistic that tomorrow's report from the Health Quality Council will shed even more light on this issue and further expose this government's shameful treatment of our health care workers. What I am less optimistic about, Mr. Speaker, is whether this defend-the-status-quo government will do anything about it.

This government has a dreadful track record of actually implementing the Health Quality Council recommendations over the years. For example, last year the Health Quality Council put forward 18 recommendations to improve critical medevac services in Alberta. After quote, unquote, accepting the majority of them, here we are nearly a full year later with none of them acted upon. Not only is this inaction a slap in the face to the Health Quality Council and the work they do to improve health care in our province; it continues to put Alberta families at risk. By refusing to act on these recommendations, our health care system is falling even further into disarray and dysfunction.

Mr. Speaker, tomorrow Albertans will hopefully find out the full extent of this government's bullying and intimidation of health care workers. They deserve to find out, but they also deserve action to fix the problems identified and concrete steps to

make sure they don't happen again. While I'm sure the Health Quality Council will come through for Albertans, I'm not counting on this government to do the same.

#### Oral Question Period

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

#### Health Services Labour Negotiations

**Dr. Sherman:** Thank you, Mr. Speaker. I hope you had a wonderful Family Day weekend.

Last week our front-line health care workers reached a breaking point and staged a wildcat strike after a year of being ignored in their request for a measly 3 per cent pay raise, which pales in comparison to the golden parachutes for dismissed AHS executives, who have run our health care system into the ground. Could the Premier please explain how this government has the money for payouts, cabinet tours, and caucus retreats but not the modest 42 cents an hour for some of the hardest working Albertans in our health care system?

**The Speaker:** The hon. the Premier.

**Ms Redford:** Thank you. Mr. Speaker, the incident last Thursday was certainly unfortunate. As a government what we are most concerned about is ensuring patient safety. What we know is that at the end of last week there was a resolution to that with respect to binding arbitration, which, as I understand it, at no point in time in the year previous had the negotiating table asked for. I understand that will now proceed, and we'll look forward to the outcome.

1:50

**The Speaker:** The hon. leader.

**Dr. Sherman:** Thank you, Mr. Speaker. Why is the Premier forcing one set of health care workers into binding arbitration while the government continues to stonewall other health care workers like the membership of HSAA and the Alberta Medical Association? Should we expect union-busting after the election?

**Ms Redford:** Mr. Speaker, we have a number of labour organizations in this province that represent different employees in health care and other places. As a government we are continually negotiating with all of those public-sector bargaining units in entirely good faith. Each of those negotiations are at a different point in time. There is certainly no intention to do anything other than bargain in good faith, and we are doing that.

**The Speaker:** The hon. leader.

**Dr. Sherman:** Thank you, Mr. Speaker. Why is it that the Premier talks about publicly funded health care but refuses to sign contracts with the hard-working men and women who publicly deliver health care? Is the government planning on privately delivering health care after the election?

**Ms Redford:** Mr. Speaker, as I said in my second answer, we are in the middle of a number of discussions with a number of public-sector bargaining units. This government is fully committed to publicly funded health care.

The other thing, though, that we have to do as a government is ensure that we are providing the best services possible to Albertans in a responsible way, representing the interests of taxpayers, and we will always do that.

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

### Health System Reform

**Dr. Sherman:** Thank you, Mr. Speaker. The keys to health care are publicly delivering health care and publicly funding health care. The Health Quality Council of Alberta is set to release its report on this government's failure to address ER wait times, cancer care outcomes, and physician intimidation. The preliminary report that came out last summer was so scathing that instead of acting, the Premier made a deliberate decision to delay calling the public inquiry she had promised in order to protect her party's prospects in the upcoming election. Why has the Premier not kept her word by continuing to stonewall and delay a call for a truly independent public judicial inquiry?

**Ms Redford:** Mr. Speaker, my recollection is that last fall in this very Legislature we passed legislation that will ensure that there will be an independent inquiry. We have very clearly put on the record that we are looking forward to the report tomorrow so that we can set the terms of reference for that inquiry and get on with what we have fully committed to and which we intend to honour before the election.

**The Speaker:** The hon. leader.

**Dr. Sherman:** Thank you, Mr. Speaker. In light of yet another dire warning by Dr. Paul Parks does the Premier actually believe that a couple of pilot projects and a whopping 30 long-term care beds in Strathmore and throwing a few million dollars at home care is going to fix our entire province's health care system?

**Ms Redford:** Mr. Speaker, the hon. member is making assumptions as to how we believe health care should be funded and supported. My understanding: we tabled a budget two weeks ago that had, as I recall, a 7 per cent increase in funding to health care. This characterization that there are one or two things that will fix health care is certainly not the case. We've never claimed that it would be, and that's not going to be the solution. Albertans know that, and that's why in estimates in this House on the 6th of March there will be three hours where we can have this discussion with the minister of health and the hon. member to determine that we know where to go with this.

**Dr. Sherman:** Mr. Speaker, this hon. member just asked legitimate questions on how to actually fix health care. Why won't the Premier own up to this government's abysmal record and admit that the minister and the cabinet have no clue how to fix our health care system and just ask for help from the very front-line experts that the government refuses to pay?

**Ms Redford:** Mr. Speaker, we have a system to administer health care in this province that is a partnership between health care professionals, health care administrators, and people that are involved in the public service in government. That is the partnership that will fix health care.

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

### Electricity Prices

**Dr. Sherman:** Thank you, Mr. Speaker. The Premier recently said that she doesn't like to be lectured, but even the Premier must be

taken to school from time to time. The constant dodging of our questions about electricity deregulation shows that the Premier, clearly, has a lot to learn. The Premier has even started repeating the mantra of the Energy minister that regulated electricity prices in Alberta will somehow lead to massive public debt. Does the Premier realize that Alberta's regulated electricity system operated very well for decades without any public debt?

**Ms Redford:** Mr. Speaker, I'll tell you that when I look at the financial record of this government for the last 15 to 20 years, one of the things we can be most proud of is the fact that Premier Klein ensured that we didn't have public debt. Part of the decision that we made at that time was to move to a system that would ensure that we wouldn't continue to incur public debt with respect to electricity. As we move forward, that's one of the things that we can be the most proud of for future citizens of this province.

**Dr. Sherman:** Mr. Speaker, when I look at the government's record, the last I saw, it was \$100 oil, and we've got a social deficit and a financial deficit. Will the Premier admit that this government's decision to change the regulated rate option formula from a steadier one-year rolling average to a volatile monthly formula has resulted in hard-working Albertans being misinformed about their options, being gouged on their power bills? Come on, Premier.

**Ms Redford:** We have had a fair amount, a significant amount, Mr. Speaker, of public information, certainly, in more than the last month with respect to how people can make decisions with respect to their power prices. Now, there is no doubt that this is a difficult time, when consumers who aren't on contracts are paying higher power bills, and that's unfortunate. This is something that MLAs in this House, on our side of the House, have heard, and we are certainly concerned about this. We will be addressing this. As I said last week, part of what we need to do is to ensure that we're addressing this in a comprehensive way that allows consumers to have choice and to ensure that power prices can be reduced.

**The Speaker:** The hon. leader.

**Dr. Sherman:** Thank you, Mr. Speaker. What the people of Alberta need are good decisions from this government. Why won't this Premier show leadership and stop trying to bamboozle Albertans into believing that corporate greed is good for them and actually protect ordinary Albertans, parents of these children in the halls right here today, from being gouged on their power bills?

**Ms Redford:** Mr. Speaker, last week received a report with respect to the importance of having an electricity grid that's going to allow our economy to develop. We very clearly said last week that we will be responding to that in a comprehensive manner forthwith, and we will.

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

### Landowner Private Property Rights

**Mr. Hinman:** Thank you, Mr. Speaker. For two years angry landowners have packed town halls and high school gyms across Alberta to voice their outrage over bills 19, 24, 36, and 50, laws that trample on their property rights and revoke their entitlement to full compensation and the courts. Most recently it was this government's own Property Rights Task Force that heard from the landowners. At one particular hearing attendees chanted: repeal these bills. Today we learned that the government's response to



these landowners is to improve engagement. That's insulting. To the Premier. Your task force was a sham. Why won't you do the right thing and repeal these bills?

**Ms Redford:** Mr. Speaker, there's been some very good public discussion right across this province with respect to what has to happen in relation to land-use planning in this province. Certainly, very important to this government is to ensure that people's property rights are protected. We've said all along that we have to be very clear with respect to consultation, with respect to compensation, and with respect to access to the courts, and we will ensure that happens.

**Mr. Hinman:** It's not true, Mr. Speaker.

Again to the Premier: given that the January 16th edition of the *Rocky View Weekly* reported "the call to repeal the four land bills was 'the overarching piece of advice'" that the Property Rights Task Force heard, how can you possibly claim to be listening to Albertans? Why do you refuse to listen to Albertans and to repeal these damaging and destructive bills?

**Ms Redford:** Mr. Speaker, there are a number of reports with respect to discussions that have taken place across this province. I'm not minimizing the fact that there are Albertans who do believe that it's appropriate to repeal the legislation. But one of the things that we will have seen already from the report that was released today is that there are also Albertans who understand the importance of integrated land-use planning, of balancing the interests of all Albertans, and we will ensure that that happens.

**Mr. Hinman:** This adds a whole new meaning to in one ear and out the other. I can't believe it.

Again to the Premier: given that you're clearly going to keep ignoring landowners, who overwhelmingly want you to repeal these bills, will you at least apologize to landowners for wasting their time and to taxpayers for wasting their money on this utter sham of a task force? It's insulting to them.

2:00

**Ms Redford:** Mr. Speaker, it's fascinating to me that when we look at the public discussion around this issue, when we even look at some of the legislation that's being brought forward by other parties to perhaps try to correct the situation, what this hon. member is proposing in his private member's bill isn't even what he's advocating today.

**The Speaker:** The hon. Member for Edmonton-Highlands-Norwood. [interjections] The hon. Member for Edmonton-Highlands-Norwood has the floor.

#### General Hospital Long-term Care Centre

**Mr. Mason:** Thank you, Mr. Speaker. This morning a senior named Bev Munro told a story of neglect and maltreatment, of living in an endless construction area with leaky roofs and dangerous elevators. She told a story of a government that talks about helping seniors but ignores them instead. To the Premier: why have you left Bev Munro and thousands like her in such deplorable and appalling conditions?

**Ms Redford:** Mr. Speaker, with respect to specific cases I think it's very important that we understand that as government moves ahead, we will do everything that we can to ensure that vulnerable Albertans are protected. In this House we have to know that while there are people who sometimes end up in unfortunate circumstances, we have to ensure that we can determine why that is the

case. I am not going to presume that we can generalize with respect to the comments the hon. member has made. I'm certainly very concerned about the fact that anyone might be living in difficult circumstances, because in this province it's not necessary. I'm sure that in the supplementary the hon. minister will be able to provide more information.

**The Speaker:** The hon. member.

**Mr. Mason:** Well, thanks, Mr. Speaker. Let's get specific, then. Given that Bev Munro and the other residents of the General hospital long-term care centre were supposed to have been moved to the Villa Caritas facility but could not be because the government pulled the rug out from them at the last minute, will the Premier explain why this government has denied Bev Munro and her fellow residents a safe and comfortable home?

**The Speaker:** The hon. minister.

**Mr. Horne:** Thank you very much, Mr. Speaker. While I'm not familiar with the specific case that the hon. member has raised, if he would care to forward the particulars to me, I'd be very pleased to investigate it and get back to him.

What I will tell you, Mr. Speaker, is that no government has a bigger capital infrastructure program for health than the province of Alberta. We have a commitment of \$5 billion. Much of this money is going to build continuing care facilities. We are well on track to meet our target of 5,300 spaces over five years. I'll tell you, Mr. Speaker, that the residents that use geriatric mental health care at Villa Caritas need that service, too.

**Mr. Mason:** Well, Mr. Speaker, this government's wilful ignorance of this situation is disgusting. The serious problems at the General long-term care facility were first made public over a year ago, and at that time residents and the public were told the problems would be fixed in a couple of days. The seniors have been waiting ever since. Why does this government allow our seniors to live in such deplorable conditions? It's a shame.

**Mr. Horne:** Mr. Speaker, the facility in question is actually a facility operated by Covenant Health under contract with Alberta Health Services. I have no difficulty in conceding that it is one of the older long-term care facilities in Alberta. In addition to building new spaces, we have invested heavily in refurbishing old spaces. We will continue to open spaces, and we will continue to ensure that those seniors who are waiting in old facilities or acute-care facilities have the first opportunity to move to those new spaces.

**The Speaker:** The hon. Member for Vermilion-Lloydminster.

#### Government-owned Infrastructure

**Mr. Snelgrove:** Thank you, Mr. Speaker. As the Alberta government continues to build much-needed infrastructure across Alberta, I've been approached by contractors who suggest that many of the specs, or guidelines, that we use in designing these buildings are far above what the industry standard would be. In fact, they're saying that the specs may be being developed by companies who have an interest as they work on a percentage. My question is to the Minister of Infrastructure. Can he assure us that this is not the case and what steps he may be taking to ensure that we're really getting what we need and not what someone else would want?

**Mr. Johnson:** Mr. Speaker, that's a very good question. What I can tell you is that, of course, when we do projects like long-term care facilities, the functional plans are done through Alberta Health Services and the health care providers. My ministry delivers the building of those facilities. Through our technical services branch we ensure that those buildings and the specifications fully comply with today's building codes and the building codes for health facilities.

**The Speaker:** The hon. member.

**Mr. Snelgrove:** Thank you, Mr. Speaker. We also seem to be in a bit of a hurry to demolish some of the old buildings we have as a government when, in fact, they may not be appropriate to be used as they were, but they may have an appropriate use other than that. What policy can the minister update us on with regard to demolishing current government buildings?

**Mr. Johnson:** Mr. Speaker, another good idea. I think that any time we have the opportunity to leverage existing infrastructure, we need to be looking at that. My department works with Alberta Health Services with respect to long-term care facilities, in particular, but with Education for education facilities and Justice for courthouses, et cetera. Any chance we have to make sure that we're utilizing existing infrastructure and finding other uses for it, we want to make sure we're doing that.

**The Speaker:** The hon. member.

**Mr. Snelgrove:** Thank you, Mr. Speaker. Then I would like to invite the minister to meet with a group of very concerned citizens in Lloydminster who would like to certainly get their opinion to him on the future of the existing Dr. Cooke. Would he commit that he would meet with them before it is demolished?

**Mr. Johnson:** Mr. Speaker, I'd be happy to do that. You know, since I became Minister of Infrastructure, I've travelled across the province and visited many facilities, and I'm getting a handle on what we're building and how everything is progressing. I'm happy to arrange for my department to meet with the folks out there, the stakeholders, or to make the trip myself.

**The Speaker:** The hon. Member for Calgary-Mountain View, followed by the hon. Member for Grande Prairie-Wapiti.

#### Review of Medical Examiner Cases

**Dr. Swann:** Thank you very much, Mr. Speaker. Medical pathology in Alberta appears to be suffering from general problems both in Alberta Justice and in Alberta Health. Several reviews and investigations in Calgary and one in Edmonton concerning both medical-legal autopsies and cancer diagnoses have been raised. Last week it was announced that pathologist Dr. Evan Matshes' homicide autopsies are being reviewed for quote, making unreasonable conclusions, end quote, in very serious medical-legal cases. To the minister: why are not all of his case files, including the autopsies he conducted at Calgary Lab Services since leaving the medical office, being investigated?

**Mr. Olson:** Mr. Speaker, I'm happy to address that question. Of course, the work of the Chief Medical Examiner's office is very important. It's integral to the administration of justice in Alberta. Whenever a question arises, we take it seriously and we investigate. That's all that's happening here. No conclusions have been reached.

We're very deliberate and determined that we're going to maintain the integrity of this system, and that's why the investigation is ongoing.

**Dr. Swann:** Mr. Speaker, he didn't answer the question. I'll try it again with the health minister. The quotation from the consultants is that this man made unreasonable conclusions. End quote. Why is Calgary Lab Services, a wholly owned subsidiary of Alberta Health Services, hiring somebody Alberta Justice is reviewing?

**Mr. Horne:** Well, Mr. Speaker, I'm sure the hon. member will understand that I'm not at privilege to discuss the specifics of an individual pathologist's case on the floor of the House. I'm sure he would not want me to do that.

What I can tell you, Mr. Speaker, is that I have inquired, and I have been assured that the physician in question is not involved in any activities that would jeopardize the quality or safety of the services he's providing.

**Dr. Swann:** Well, that's interesting, Mr. Speaker, because when pathologists do their job, they're making diagnoses. Is that what you're saying? He's not making any more diagnoses?

**Mr. Horne:** Mr. Speaker, same answer. I'm not going to stand on the floor of the House and discuss the particulars of the professional practice of one pathologist. Quality and patient safety are not at issue.

Thank you, Mr. Speaker.

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

#### Property Rights Public Consultation

**Mr. Drysdale:** Thank you, Mr. Speaker. Today the government released its report Engagement with Albertans with the comments and feedback received by the Property Rights Task Force through online submissions, e-mails, and province-wide open houses. My question is to the Minister of Environment and Water. What were the biggest concerns related to property rights that were brought up by Albertans?

**The Speaker:** The hon. minister.

**Mrs. McQueen:** Thank you, Mr. Speaker. I first want to start by thanking all the Albertans who were part of the consultation process. It was wonderful to be able to go to their communities and hear directly from them the main issues that were of concern to them. There were four main areas that were of concern. Albertans wanted to make sure that we develop legislation that relates to property rights, that there was good consultation. They wanted to make sure that there's access to the courts for them if that's so needed. They wanted to make sure that if we need to use their land for the greater good, they're fully compensated. The other thing that they told us is that they wanted to have someone that was there for them and that would advocate for them.

2:10

**The Speaker:** The hon. member, please.

**Mr. Drysdale:** Thank you, Mr. Speaker. My first supplemental is to the same minister. Now that the government has received feedback from Albertans, what are the next steps for the government?

**The Speaker:** The hon. minister.

**Mrs. McQueen:** Thank you, Mr. Speaker. The next step is that we will be putting legislation here in the House that will deal with a property rights advocate and will deal with the issues that have been raised by Albertans with regard to compensation, access to the courts, and how we consult with Albertans.

**The Speaker:** The hon. member.

**Mr. Drysdale:** Thank you, Mr. Speaker. My second supplemental is to the same minister. What exactly will the property rights advocate do?

**The Speaker:** The hon. minister.

**Mrs. McQueen:** Thank you, Mr. Speaker. The advocate is there to do exactly what Albertans asked us to do. They asked us to be able to have someone there to advocate with them and for them, to talk to them when we talk about legislation, that would be there to help them on education but also if there were issues with regard to compensation or land issues that they would have someone that they felt they could go to to help them through the process. That is exactly what this legislation will do.

#### Funding for Private Schools

**Mr. Hehr:** Mr. Speaker, with the recent education consultations and initiatives as well as the controversies regarding some new school board policies the minister has reiterated numerous times his desire to improve openness and transparency at school board operations. To the Minister of Education: since private schools receive public funds, will the minister require private schools to follow the same rules that he institutes for our public school boards?

**Mr. Lukaszuk:** Mr. Speaker, most definitely. If the member cares to read the bill that's in front of this Legislature right now, the Education Act, it clearly speaks, actually, to the minister's overview of the business of private schools.

**Mr. Hehr:** It needs to be more clear on that, then. You're directing the school boards to put their stuff online in an open and transparent fashion. Will that be the same for private schools in this province?

**Mr. Lukaszuk:** Mr. Speaker, private schools are duly accountable. They're accountable for the Alberta Education dollars that they receive and how they expend them during their programming and any and all other monies that they may be raising. They are also registered as not-for-profit or for-profit agencies, so they are accountable in that way and transparent on both ends.

**The Speaker:** The hon. member.

**Mr. Hehr:** Well, thank you. That was a little bit of a strange answer, so I'll ask the question again. The minister is directing boards like the Calgary school board to put their stuff online in an open and transparent way so that parents can take a look at what the board is actually spending their dollars on. Is he going to require private schools to be open and transparent in the same fashion by posting their information online?

**Mr. Lukaszuk:** Mr. Speaker, private school boards receive 70 per cent of the funding of public school boards. They will be equally accountable for that 70 per cent of dollars that they receive from taxpayers.

**The Speaker:** The hon. Member for Strathcona, followed by the hon. Member for Edmonton-Gold Bar.

#### Impact of Oil Sands Development

**Mr. Quest:** Well, thank you, Mr. Speaker. A recent article published in a prestigious scientific journal concludes that the impact of burning all of the economically viable proven reserves of Alberta's oil sands, all 170 billion barrels, would be negligible. Some critics might find this to be a hard pill to swallow. A question to the Minister of Environment and Water. Can she tell us how much of our total global emissions the oil sands currently emit?

**The Speaker:** The hon. minister.

**Mrs. McQueen:** Well, thank you, Mr. Speaker. First and foremost, the study is certainly welcome news because it is an independent and objective study by a world-leading climate scientist. As we know in this House and as we've said before – and I thank the hon. member for the question – one-tenth of 1 per cent of global emissions come from the oils sands. Although we know that still is a very small amount, we also know that we need to continue to do what we're doing, to continue on the path that Alberta is on with regard to the reductions in emissions.

**The Speaker:** The hon. member.

**Mr. Quest:** Well, thank you, Mr. Speaker. My first supplemental to the same minister. This author also concluded that notwithstanding the scientific findings, the report should not be considered a get-out-of-jail-free card as it relates to future development. To the same minister: does she take this to be a get-out-of-jail-free card in respect to oil sands development?

**The Speaker:** The hon. minister.

**Mrs. McQueen:** Thank you, Mr. Speaker. Absolutely not. We know that we are committed to making sure that we develop our oil sands in an environmentally responsible manner. We will continue to do that. We know that we will be a global energy leader, but we'll be a global environmental leader. We're committed to reaching our reductions.

**The Speaker:** The hon. member.

**Mr. Quest:** Well, thank you, Mr. Speaker. My second supplemental is for the Minister of Energy. How much coal and unconventional gas does Alberta have, and what's being done to ensure these resources are being developed responsibly?

**Dr. Morton:** Mr. Speaker, I'm happy to report that we have literally hundreds and hundreds of years of supply of both coal and unconventional gas. That's good news. It means energy security for Alberta, energy security for Canada, and energy security for all of North America. The other piece of that is the news that we are developing those resources in a very responsible and sustainable way. When it comes to coal, our coal plants are critical, supercritical. Now carbon capture and storage: we're setting a North American standard in that respect.

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

#### Problem Gambling

**Mr. MacDonald:** Thank you. Three years ago the projected number of problem gamblers here in Alberta was over 72,000. Over 19,000 wanted help for their gambling problems, but

unfortunately less than 2,000 received treatment for their gambling problems. My first question is to the Minister of Finance. What happened to the other 17,000 problem gamblers who wanted help in Alberta?

**Mr. Liepert:** Well, Mr. Speaker, first of all, I think it should be pointed out that in about 45 minutes we'll have three hours to kind of have that discussion back and forth with the hon. member. I'm not going to answer the question that he asked because I cannot confirm that the preamble had any substance to it because this particular member happens to find a study somewhere that may or may not be relevant. We'll have that discussion in about 45 minutes.

**The Speaker:** The hon. member.

**Mr. MacDonald:** Thank you, Mr. Speaker. For the minister's information this study, which you should read and all hon. members as well, was funded through Alberta Gaming Research, and you cannot weasel away. Why is this government failing to help the over 17,000 problem gamblers who are looking for treatment, but none is provided? Why are you failing them?

**Mr. Liepert:** Mr. Speaker, I think we have to ensure that we clear the record here. I don't know of any particular instance where if someone has an addiction to gambling and seeks help, somehow we'd turn that individual away. We have some hundreds of millions of dollars in addictions funding in the ministry of health, and if the minister would like to supplement, I'd be happy to have that.

**Mr. MacDonald:** That, Mr. Speaker, is simply not true. Does this government consider a budget of \$6 million adequate to meet the needs of 19,000 problem gamblers when . . .

**The Speaker:** Hon. member. [interjection] Hon. member, the camera is on me; it's not on you. Any questions dealing with the budget – and we did venture into dollars – will be dealt with at 3 o'clock this afternoon, which has been well advertised for a long period of time.

The hon. Member for Calgary-Foothills, followed by the hon. Member for Airdrie-Chestermere.

### Organ and Tissue Donations

**Mr. Webber:** Mr. Speaker, in the past five years 214 people have died waiting for organ transplants here in Alberta. This is the third-highest number amongst provinces. Organ and tissue donations are down, yet the need has never been higher. To the Minister of Health and Wellness: why does this province not have an organ and tissue donor registry?

**The Speaker:** The hon. minister.

**Mr. Horne:** Well, thank you, Mr. Speaker, and I thank the hon. member for the question. It is true that across Canada organ and tissue donations have been in decline for the last few years. Here in Alberta we have raised this issue on several occasions. There have been reports produced, and the Alberta government until now has been working very closely with Canadian Blood Services to support them in the development of a national organ donor and tissue donor registry. CBS has provided the province with some very specific recommendations around the establishment of intent-to-donate registries, and we're in the midst of reviewing their recommendations.

**Mr. Webber:** Okay. Well, also to the same minister: while the national registry is being negotiated, what is being done here in Alberta to support organ and tissue donation in transplant surgery?

**Mr. Horne:** Mr. Speaker, we budgeted \$3 million in 2012-13, \$8.2 million in 2013-14, and \$9.6 million in 2014-15 to contribute to the national registry once the Canadian Blood Services' recommendations have been reviewed and adopted. What I will say is that I am concerned that Alberta also is doing everything we can within the province to get an online donor registry established. I'm committed to working with the hon. member to raise further awareness about this and to take some immediate steps to position Alberta to be able to take advantage of the national registry once it's operational.

2:20

**Mr. Webber:** Well, thank you, hon. minister. That's great news.

My final question to you is: what can Albertans do, what can we do to make sure that our wishes or Albertans' wishes to be donors are fulfilled?

**Mr. Horne:** Well, currently, Mr. Speaker, when a family or an individual is in a situation and they wish to make clear their intent to donate, they may sign the back of their Alberta health care insurance registration card. That said, I think we do need to do more in order to promote both the need for organ and tissue donation and to further the work to develop an electronic registry for this province that will better equip us to take advantage of those who are willing to make the sacrifice in a time of need.

**The Speaker:** The hon. Member for Airdrie-Chestermere, followed by the hon. Member for Calgary-McCall.

### Blood Alcohol Driving Sanctions

**Mr. Anderson:** Mr. Speaker, I hold in my hand a coaster that is being handed out to hundreds of restaurants and pubs around Alberta in protest of this Premier's poorly thought out .05 drinking legislation, which registers and seizes the vehicles of law-abiding Albertans but does nothing to punish those who are legally impaired. On one side it says: no to .05, repeal Bill 26, and drink responsibly.

**The Speaker:** The use of props in the Assembly is not appropriate.

**Mr. Anderson:** Okay. On one side it says to repeal Bill 26. On the back it says: say no to the PCs, no to the Premier, and vote responsibly. To the Solicitor General: why are you delaying enforcement of this law until after the election? Is it because the vast majority of Albertans don't want it?

**Mr. Denis:** Mr. Speaker, I'll let the Minister of Transportation comment on that, but it really saddens me that this member trivializes the lives of 300 Albertans who have died since 1998 as a result of drivers between .05 and .08. Shame on him.

**Mr. Anderson:** A point of order on that disgusting answer.

To the minister. Given that the federal gun registry, which also attacked law-abiding Albertans, cost taxpayers billions to create and maintain and given that under your new drinking law you will have to likewise register thousands of law-abiding Albertans in a similar database, accessible by all of the different law enforcement agencies of this province, tell us, Minister: how much do you estimate your new .05 registry is going to cost taxpayers?

**Mr. Denis:** Mr. Speaker, this member talks about the gun registry. I want to talk about it as well because this government has a long history of opposing the gun registry, unlike their leader. I quote from September 24, 2010: "Smith Wants Provincial Registry." Shame on you.

**An Hon. Member:** You're a disgrace.

**Mr. Anderson:** You really are a disgrace, Member.

**Mr. Denis:** Point of order.

**Mr. Anderson:** Final question. Given that your government has not done any homework on this bill before passing it and given that the majority of Albertans don't want it and given that the .05 registry, like the gun registry, will do nothing to save lives but will instead punish law-abiding Albertans, will you adopt the Wildrose policy on this issue, repeal Bill 26, scrap the .05 registry, and use those savings to increase checkstops and prosecutions of those that are actually killing people on the street? Will you actually do something to save lives instead of sitting in that chair and doing jack squat?

**Mr. Denis:** Point of order.

**Mr. Danyluk:** Mr. Speaker, it's absolutely unbelievable that the hon. member opposite has sat through the discussions of three readings and one Committee of the Whole and still does not know that .08 is still .08, .05 is still .05. There is no difference. It is irresponsible of an hon. member to stand up and say to Albertans and, really, what I would consider confuse the position of what this bill is.

**The Speaker:** We have three points of order arising out of that last exchange.

The hon. Member for Calgary-McCall, followed by the hon. Member for Little Bow.

#### Canada-European Union Trade Negotiations

**Mr. Kang:** Thank you, Mr. Speaker. Countless times this government has allowed water markets to grow in Alberta. After failing to protect our most precious resource at home, this government is also failing to protect it on the world stage, leaving our water vulnerable to foreign investment. To the minister of intergovernmental affairs: given that the scarcity of water is a concern for all Albertans, especially in the south, how can the minister justify that the sale of water is part of the ongoing negotiations with the European Union?

**The Speaker:** The hon. minister.

**Mr. Dallas:** Thank you, Mr. Speaker. I can assure the hon. member opposite that there's no discussion with respect to the sale of water, certainly with respect to any agreement in Europe. I know the Minister of Environment and Water is going to have a conversation with Albertans about water, but we're certainly not involved in negotiations over water.

**The Speaker:** The hon. member.

**Mr. Kang:** Thank you, Mr. Speaker. I will be tabling some documents to that effect later on.

To the same minister again: given that CETA will have significant impact on all Albertans for years to come, why did this government not get Albertans' input in regard to the impacts of this agreement?

**Mr. Dallas:** Well, Mr. Speaker, as I've outlined earlier in this Assembly, we've been engaged in negotiations with the federal government right from the beginning of these discussions. We've had nine rounds of those discussions. They've been very productive. We've made no commitments to this point in terms of what Alberta would sign off on or not sign off on, and I'm very encouraged by the negotiations to date.

**The Speaker:** The hon. member.

**Mr. Kang:** Thank you, Mr. Speaker. To the same minister again: will this government step up the Premier's promise of more transparency in the government and make the Canada-EU trade agreement negotiations it has taken part in public?

**Mr. Dallas:** Well, let's be clear, Mr. Speaker. This is a negotiation between the European Union and the federal government. Obviously, we're delighted that we've been involved and asked to be at that table, as have all the provinces across Canada been involved in those negotiations. As I said, we've been very pleased with how those have progressed.

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

#### Education of Mennonite Children from Mexico

**Mr. McFarland:** Thank you, Mr. Speaker. Southern Alberta has seen a very significant growth of students from out of country. The Mexican Mennonite student population in zone 6 school districts has bloomed to over 10,000 students, many of whom don't attend school on a regular basis. My question is to the Minister of Education. How long is it going to be before a regulation gets put in place that will prevent the congregation of dozens or hundreds of school-aged children in a home-schooling program where they are supervised by unqualified teenagers or in some cases by young mothers?

**The Speaker:** The hon. minister.

**Mr. Lukaszuk:** Thank you, Mr. Speaker. Let me be perfectly clear. Every child in the province of Alberta not only deserves but has the right to quality education, and that does not exclude any group. As a matter of fact, the situation that has been brought to my attention not only by this hon. member, although I know he has been a strong advocate, but by others is being reviewed by my department as we're speaking. We are looking at strengthening policies and regulations to make sure that every child in every corner of this province, no matter who they are, receives the same internationally renowned high quality of education.

**The Speaker:** The hon. member.

**Mr. McFarland:** Thank you, Mr. Speaker. A supplementary to the same minister: in order to supervise these students, does the department regulation require that the supervisor be at least functionally literate?

**Mr. Lukaszuk:** Mr. Speaker, there are visits from the department from time to time as per the regulations, but as I said earlier, I find that the policies and the regulations that govern these types of institutions or schooling set-ups need revising, and I am currently looking into it.

**The Speaker:** The hon. member.

**Mr. McFarland:** Thank you, Mr. Speaker. Will the minister undertake to work with his federal colleagues to ensure that funding for programs such as ESL begin to follow these students into our system, the same as non-Canadians receive?

**Mr. Lukaszuk:** Mr. Speaker, many of these students fall into a very peculiar group because they are technically Canadian citizens even though most of them have not either resided or been born in Canada. They came here from Mexico. At the end of the day those are intergovernmental issues that we can resolve with the federal government, I'm sure, but in the meantime my number one priority is to make sure that these children receive adequate education.

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

#### Alberta Works Program On-site Support

**Ms Blakeman:** Thanks very much, Mr. Speaker. For many years Alberta Works has supplied an income support worker who worked directly out of various inner-city agencies but currently out of the Herb Jamieson, but that worker is to be moved any day now. The loss of this localized outreach worker will severely affect people needing medical SFI, and as we know, without intervention the costs really mount up. To the Minister of Human Services: why would this minister move a worker whose accessibility is key to assisting people who have issues due to poverty and homelessness, including chronic illness and addiction?

**Mr. Hancock:** Well, Mr. Speaker, as this hon. member knows, ministers don't actually engage in day-to-day management at that level, so this minister would not be moving that particular individual. However, this issue was brought to this minister's attention, and this minister is very interested in the same questions that the hon. member is asking so has asked management why this change would be proposed, if it's being proposed, and what the outcomes are that we are trying to achieve for those people and how we are going to do a better job of achieving those outcomes for those people.

2:30

**Ms Blakeman:** Well, I'll suggest another couple of questions for you. How does removal of an on-site worker relate to an integrated poverty reduction strategy, which, as the minister explained to me a week ago, you definitely had in your department?

**Mr. Hancock:** A very good question, Mr. Speaker, and one that I, in fact, have asked about this particular situation. It was brought to my attention last week that it was purported that there was a movement of this worker. I asked exactly the same question: should we not be putting people right in the front line, right in the place where you can help people, and if there's a change being made, what's the rationale for the change, and how are we going to provide a better service?

**Ms Blakeman:** I'd be interested in the answer.

My last question is to the Minister of Health and Wellness. Now, how does this action fit in with the government's mental health strategy, which was from September of 2011? In the media release I read this morning to refresh my memory, it talked about how being community oriented and being accessible for mental health services was particularly important and was one of the five major directions of the strategy. How would moving this worker fit in with that mental health strategy?

**Mr. Horne:** Well, Mr. Speaker, my answer is going to be the same as the Minister of Human Services' first answer to this question. Management makes the decisions about the deployment of workers in these programs and in these facilities. If I can get some more information from management at my end about the implications for mental health, I'd be happy to answer. In the meantime we remain committed to expanding community mental health services through primary health care, through community general hospitals, and through many other programs in the community offered in conjunction with others.

#### High Prairie Hospital Construction

**Ms Calahasen:** Mr. Speaker, people in High Prairie were so pleased and so excited to see that their new hospital was moving ahead, and then Budget 2012 happened. Funding available for our project was much less than what we were originally promised. My constituents are naturally worried, confused, and in fact some are angry and want answers. To the Minister of Infrastructure: please tell me why Budget 2012 for the new High Prairie hospital has changed from \$90 million to \$73 million.

**Mr. Johnson:** Mr. Speaker, this project is vitally important to the community and to this government, so I want to assure the member that the total cost of this project has not gone down from \$90 million to \$73 million. As a matter of fact, it's still at \$90 million. It's just that not all the funds are expected to flow within the three-year budget cycle that we forecast in the budget that we just tabled.

**The Speaker:** The hon. member.

**Ms Calahasen:** Thank you. I'm sure my constituents are listening ardently.

To the same minister: when will we finally begin construction of this much-needed facility, this hospital? When?

**Mr. Johnson:** Mr. Speaker, construction has already started on the services for this building. The land was cleared; services were put in. They've stopped for the winter, and they'll start back up in the spring. I think the thing to make sure is that we're building the right facility. I know more functional planning work is being done with Alberta Health Services. Once that is finally signed off, we'll have a much better idea of what programs are going to be in this facility, and the facility will be built. But rest assured that it is a \$90 million facility as it sits today, and there are some funds expected to be spent in the fourth year.

**The Speaker:** The hon. member.

**Ms Calahasen:** Thank you. Then to the minister of health: given that we've been planning forever, surely to God we can move forward with completing the work needed, including the addition of the renal clinic, the cancer clinic, and the CT scan. My constituents want to know whether or not that functional plan will continue to include these facilities.

**The Speaker:** The hon. minister.

**Mr. Horne:** Thank you very much, Mr. Speaker. As the hon. Minister of Infrastructure said, this project is going ahead at the same level of total provincial support. As he also said, we're in the final stages of completing the service plan for this facility, that will detail the specifics of programs and services that will be there. The CT scanner, the chemotherapy, and the renal dialysis

are part of the plan for the future, and we'll continue to work with the local community and the hon. member to finish up this work as quickly as possible.

Thank you.

### Electricity Prices

(continued)

**Dr. Taft:** Mr. Speaker, Alberta's PCs consistently and deliberately spread misinformation about electricity deregulation. For example, they say that residents in Quebec, B.C., Manitoba, and New Brunswick pay higher taxes to subsidize electricity when the truth is actually quite the opposite. The Crown-owned power companies in these provinces actually pay dividends to governments, that help push taxes down. To the Minister of Energy: why does he persist in misleading Albertans about the truth concerning electricity deregulation?

**Dr. Morton:** Mr. Speaker, I tabled in the House last week the study by London Economics International that showed that, in fact, other provinces do have hidden costs precisely because they have debt. The numbers again – I don't know how many times I have to say this to the hon. member – \$32 billion in Quebec, \$64 billion in Ontario. If that's not enough, there was another report, tabled just last week by Don Drummond, one of the most respected economists in Canada, that pleaded with the Ontario government to quit hiding the true cost of electricity from consumers.

**Dr. Taft:** Well, given that this minister likes to hide the truth, Mr. Speaker . . .

**The Speaker:** I may get a comment a little while later about this intemperate language. This is not becoming of certain members in this Assembly.

**Dr. Swann:** Even if it's true?

**The Speaker:** Oh, get off it. Sit down. Sit down.

**Dr. Taft:** I didn't say anything.

**The Speaker:** That was you?

**Dr. Swann:** That was me.

**The Speaker:** Well, you should have been quiet because you were not recognized.

You've got to question with – let's try and find some civility, okay?

**Dr. Taft:** Okay. Thank you, Mr. Speaker. Let's compare apples to apples, and let's look at the Alberta situation. Again to the Minister of Energy: is this minister aware that Alberta's regulated electricity system functioned very successfully for eight decades without requiring any provincial debt because it was a system of private and municipally owned corporations?

**Dr. Morton:** Mr. Speaker, again, I'm a little surprised that the hon. member wants to turn the clock back – what? – 20 or 30 years, to when the province had half the number of people here, not nearly the industrial consumption. This is the 21st century. The 21st century, particularly in this province, with the exciting future we face in terms of economic development, needs an electricity system that can respond to those challenges. That's what we're putting in place.

**Dr. Taft:** Mr. Speaker, given that Alberta's regulated electricity system functioned very successfully for eight decades without requiring public debt, will the minister admit that this government could return to a regulated system, where the interests of ordinary people are protected, without incurring any debt?

**Dr. Morton:** Mr. Speaker, that's the back-to-the-future question that I just answered, so I don't see any point in repeating the answer.

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

### Charter Schools

**Mr. Amery:** Thank you, Mr. Speaker. Charter schools have a proud record in Alberta of providing innovative education choices to parents. The government has said over and over again that it supports charter schools and that they are here to stay. My questions are for the Minister of Education. If this commitment to charter schools is real and the government does want to support educational choice for parents, will the minister commit to providing more permanence to charter schools?

**Mr. Lukaszuk:** Mr. Speaker, I think that, undeniably, parents have voted with their feet. Charter schools in by far a majority of cases have proven themselves to be a viable option to which many parents choose to send their children, and that, frankly, is one of the pillars that makes Alberta education so strong, this child-focused, constructive, pedagogical competition among a variety of service providers of this high quality of education that we have. I can tell this hon. member to stay tuned because, indeed, this government wants to preserve what is constructive.

**The Speaker:** The hon. member, please.

**Mr. Amery:** Thank you, Mr. Speaker. Given that charter schools say that their temporary status restricts their ability to finance and limits them to leasing arrangements that aren't always ideal, what is the minister doing to address the barriers charters face when it comes to getting decent learning spaces?

**Mr. Lukaszuk:** Well, Mr. Speaker, when initially instituted, some form of time caps had to be put in place in order for these institutions to prove themselves and to find out whether parents indeed make them schools of choice for their children. Time has passed. In most cases charter schools have proven themselves to be great contributors to the whole mosaic of service providers in education. I know that infrastructure issues need to be resolved. That's why again I would tell this member to stay tuned because we will be looking at that as well.

2:40

**The Speaker:** The hon. member.

**Mr. Amery:** Thank you, Mr. Speaker. Almadina charter school academy in my constituency is an excellent school, serving students from 39 different countries whose first language is not English. However, their enrolment cap of 600 means they cannot properly serve our growing community. Will the minister consider raising this cap so that more families can benefit from the unique opportunity that this school offers?

**Mr. Lukaszuk:** Mr. Speaker, that is one of the aspects of operations of charter schools that I have been asked to look into not only by the operators of charter schools but by parents who choose to send their

children to these public charter schools. That is something that will be unrolled in the near future.

**The Speaker:** Hon. members, that concludes the question-and-response period for today. Nineteen members were recognized, with 113 questions and responses.

In a few seconds from now we will continue with the Routine, which is Members' Statements.

### Members' Statements

(continued)

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

#### Alberta Works Program

**Mr. Doerksen:** Thank you, Mr. Speaker. There are nearly 60 Alberta Works centres throughout our province. Every day thousands of Albertans walk through their doors and access the services of Alberta Works. The goals of Alberta Works are to help unemployed people find and keep jobs, help employers meet their needs for skilled workers, and help Albertans with low incomes cover their basic costs of living.

Alberta Works achieves these goals through its four programs: first of all, employment and training services, income support, health benefits, and child support services. These services are provided through our Alberta Works centres. These centres help Albertans reach their full potential. They help us develop our workforce and help businesses find the employees they need for continued success. Mr. Speaker, Alberta Works centres are strategically located, situated throughout the province, to make a difference in the communities in which they're located.

Alberta Works is not just for job seekers, nor is it just for employers. It benefits our communities. When we help Albertans reach their full potential, get access to work and the assistance to stay employed, all of these things are benefits that we all appreciate. When Albertans walk through the doors of an Alberta Works centre, the staff are there to help them get back on their feet and regain their independence.

Sometimes, Mr. Speaker, we all need a little help. It may be making those important employment connections or finding the right program or service in the time of need. Either way, it's good to know that there is help there for those people who need it. Alberta Works is a service to Albertans.

Thank you, Mr. Speaker.

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

#### Eid Milad un-Nabi Celebration

**Mr. Kang:** Thank you, Mr. Speaker. On February 12 I attended the Eid Milad un-Nabi celebration at the Jack Singer Concert Hall. Muslims around the globe celebrate this day as the birthday of Muhammad, the last prophet of Islam. It was delightful to hear hon. MPs Ralph Goodale and Jim Karygiannis, who talked about the beauty of our diverse and tolerant Canadian society. It was also a pleasure to listen to Brigadier-General Paul Wynnyk, who was proud to say that men and women of all faiths, including Muslims, stand shoulder to shoulder in the Canadian Forces to hold our flag high.

Muslim scholars such as Professor Syed Soharwardy and Dr. Munir El-Kassem stressed Muhammad's message of peace and harmony. They were eager to convey that Islam stands completely against violence and that those calling themselves Muslims and

encouraging hatred have completely deviated from the message of Muhammad. Dr. Kassem especially quoted Muhammad's last words before he passed away. His last message was: be not harsh with your women, and treat them with love and care.

It was also brought to the audience's attention that Muhammad built the first modern society where Muslims, Jews, and Christians lived in harmony, with complete freedom to live by one's religion, in Medina over 14 centuries ago. Syed Soharwardy said that Prophet Jesus and Prophet Moses are respected no less in Islam than in Judaism or Christianity and, above all, that we are all sons of the same father, Adam. It also comes down to humanity, which is the essence of Islam.

I'm proud that my party, the Alberta Liberal Party, is in sync with these great ideologies of religious freedom, respect for others, and multiculturalism. Multiculturalism and diversity are the basis of our beautiful society, and the ALP is committed more than ever to nurture and promote them. We as Canadians are known as a society that respects, accepts, celebrates, and embraces people from every culture. This is what my party and I stand for. It all comes down to humanity, Mr. Speaker. Long live humanity.

Thank you.

### Notices of Motions

**The Speaker:** The hon. Government House Leader.

**Mr. Hancock:** Yes. Thank you, Mr. Speaker. I rise today to give oral notice of a motion for leave to introduce a bill being Bill 6, the Property Rights Advocate Act.

### Tabling Returns and Reports

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

**Mr. Denis:** Thanks, Mr. Speaker. I referred to an article during question period today from the Red Deer *Advocate* – it's entitled Smith Wants Provincial Registry – in which the Wildrose leader talks about her advocacy for a provincial gun registry. I table five copies.

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

**Mr. Kang:** Thank you, Mr. Speaker. I would like to table five copies of annexes I and II of the comprehensive economic trade agreement that show that water is being negotiated as part of the agreement.

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

**Mr. Mason:** Thanks very much, Mr. Speaker. I have a number of tablings today. First of all, I'd like to table the appropriate number of copies of documents from January 2011 describing the problems at the Edmonton General continuing care centre, where tarps and plastic buckets are used to contain leaks in the roof; a complaint from a resident of the Edmonton General to the Alberta Health Facilities Review Committee showing that the problems identified publicly a year ago still exist; photos taken of the situation at the Edmonton General; and the government's online advertisement about caring for Alberta seniors.

Mr. Speaker, I also have some electricity bills to table. I have a bill from Mary Anne Predy for \$613.13, and she said to us: "We are already using much less electricity than last year yet our bills



continue to increase. Deregulation has not worked for the advantage of Albertans.”

I also have one from Mabel Cymbaluk who sent us a bill for \$230 with Direct Energy. She says, “For many seniors, it’s getting difficult to stay in your own home in ‘small town Alberta.’” I’ll table that.

Mr. Speaker, also a letter and a bill from Heather Arseneault, who says, “I would love to know how the Government thinks people can afford to pay their electricity bills!” Her EPCOR electricity charge for January 2012 was \$471.04. I’ll table that.

I have also a power bill from Royleen Kumar for \$136.34. She says, “Even companies like Enmax and Direct Energy . . . seem to be gouging the average consumer . . . It really does seem like the rich are getting richer and the poor are getting poorer.”

Finally, Mr. Speaker, Peter Milot sent us his Enmax bill for December 2010 for \$102.90 and his Enmax bill for December 2011 for \$194.46 with the remark “No X-mas lights next year.”

We have also a bill from John Thorson of Calgary for \$344.93, and Earl Riste of Iddesleigh, Alberta, sent his EPCOR bill for \$632.92.

I have copies of all of those, Mr. Speaker.

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

**Dr. Swann:** Thank you, Mr. Speaker. I am tabling five letters from the president of the Alberta Medical Association in response to some of the comments of the Premier regarding negotiations. It says: “We have asked the Court of Queen’s Bench of Alberta to appoint an arbitrator” to come to an agreement. “Alberta Health and Wellness and Alberta Health Services have opposed this. In our view . . . the Canada Health Act and other considerations support our request.

And another 10 copies of individuals who themselves or their families have been inadequately, inappropriately, and dangerously treated for their mental illness, and it resulted in complications.

Thank you, Mr. Speaker.

**Mr. Anderson:** Mr. Speaker, I’d like to table five copies of the document, or document/prop as you pointed out, that I had referred to in my question about the .05 registry of the PCs.

2:50

**The Speaker:** Are there others? Hon. Member for Calgary-Currie, you have a tabling?

**Mr. Taylor:** Yes, Mr. Speaker. I have three tablings today: five copies of a letter from Lynn Whittingham of Calgary and also five copies of a letter from Marie-Andrée Ménard from Calgary, both calling for a halt before it gets under way to the plans by Spray Lake Sawmills to log 700 hectares of trees in the west Bragg Creek area of Kananaskis; also, five copies of a letter from Barbara Boettcher of Calgary to the Premier, asking for clear-cutting not to proceed in the Castle wilderness special place.

Thank you.

### Statement by the Speaker

#### Parliamentary Language

**The Speaker:** All right. Hon. members, we have three points of order, and I’m going to deal with these three points of order very, very quickly. I, in fact, stood in this Assembly last Thursday, if all hon. members will recall, and last Thursday I asked hon. members to think and rethink and look at the letters that have been sent and

the guides that have been provided in the past about parliamentary and unparliamentary language and about temperate and intemperate responses and how one responds.

Over the weekend we spent a little time, Parliamentary Counsel assisting me, in finding some words that I was going to use today at 1:50, but when I stood in the Assembly at 1:50, I looked out and I saw a fairly relaxed group of people. I said: my, I may not have to say what I have to say because I think that there’s going to be a good tone in the Assembly today. So here’s what I didn’t say at 1:50 but what I’m going to say now at 2:52.

Hon. members, the chair would like to comment on an unfortunate trend in the use of language in this Assembly this sitting. In the chair’s view the language spoken has become increasingly intemperate. For instance, in recent sitting days members have used words accusing other members of not being honest, of being untrustworthy, shifty, misleading, corrupt, and the list goes on. And we could add the words that were used today as well.

The chair is well aware that there is a certain event to be held before May 31 which may be causing members to use more intemperate language. The chair is well aware that this is a place of strong emotions. That is as it should be as members should be passionate about what they believe. However, the institution of Parliament has existed for centuries, and members have been subject to the rules to ensure that civility is maintained. This is not a new institution that just started three weeks ago. Centuries have gone into the development of a place that should require civility.

*Erskine May*, 24th edition, at page 444 states the standard.

Good temper and moderation are the characteristics of parliamentary language. Parliamentary language is never more desirable than when a Member is canvassing the opinions and conduct of his opponents in debate.

Another authoritative statement is found in *House of Commons Procedure and Practice*, 2nd edition, at page 618.

The proceedings of the House are based on a long-standing tradition of respect for the integrity of all Members. Thus, the use of offensive, provocative or threatening language in the House is strictly forbidden. Personal attacks, insults and obscenities are not in order. A direct charge or accusation against a Member may be made only by way of substantive motion for which notice is required.

Finally, as members you realize that it is your role to ensure that this institution retains the respect of the people that we all serve. If we don’t respect one another, nobody out of this room is going to respect anyone in this room. Intemperate remarks and unparliamentary language do nothing to maintain that respect. All of us must take seriously the role of ensuring that the Assembly operates with civility, order, and decorum. I wonder if I’m asking too much if I also suggest an addition to civility, order, and decorum. I suggest that it’s always timely for politeness and respect.

Okay. We’ve got three points of order today. I’m not dealing with any of them. They’re all being upheld as a point of order.

We’re moving on to Orders of the Day.

### Orders of the Day

#### Committee of Supply

[Mr. Zwozdesky in the chair]

**The Deputy Chair:** Hon. members, I’d like to call the Committee of Supply to order.

## Main Estimates 2012-13

### Finance

**The Deputy Chair:** The hon. Minister of Finance, please.

**Mr. Liepert:** Thank you very much, Mr. Chair. Taking into account the Speaker's good words, we'll try and do this with all of the civility and good conduct that is becoming in this Assembly.

How many minutes do I have?

**The Deputy Chair:** Ten minutes.

**Mr. Liepert:** Okay. Then we'll talk faster.

It's my pleasure this afternoon to spend the next three hours with members of the Assembly talking about the estimates of the Department of Finance. Before we get into the estimates, I want to pay some thank yous. Now, there was a large amount of work that went into the preparation of this particular budget, Mr. Chairman. We had what I've referred to on several occasions as a hurry-up offence. We had the leadership, and by the time the leadership had concluded, we were well into what would be our traditional budget preparation time. So with a lot of good work by both the folks in my department and the Department of Treasury Board, we had a budget that was presented some 12 days ago that I would say has been widely accepted in this province and will lead us to what I think will be a tremendous future for Alberta.

I want to acknowledge and introduce the staff that are with me here today. To my right is the Deputy Minister of Finance, Tim Wiles. To his right is the assistant deputy minister for strategic and business services and senior financial officer within the department, Darwin Bozek. To my left is Gerry McLennan, the chief executive officer of the Alberta Gaming and Liquor Commission. Like myself, Gerry is soon going to be moving on to bigger and better things. This will be the final set of estimates, I guess, for Gerry as head of the AGLC. There is currently a search under way for Mr. McLennan's replacement, and if I could just put it on the record, I think all Albertans would like to thank Gerry for some – what? – 28 years of service with the AGLC.

We also have a number of other officials who are seated in the gallery. I'll name them, and maybe I could at the end ask them to stand and be recognized by members. We've got Gill Hermanns, Bruce Boychuk, Robyn Cochrane, Ian Ayton, Dennis Stang, Richard Isaak, Frank Potter, Shakeeb Siddiqui, Craig Johnson, John Ryan, and Wendy Joyner. If I could ask them all to stand and be recognized, I would appreciate that.

I guess before I get into the specifics of the Department of Finance, because, really, Mr. Chairman, our department is one of people and keeping everybody else in government honest when it comes to finances I think is the best way to put it, I want to talk a little bit about the broader finance and this particular budget that, as I mentioned, we introduced some 12 days ago. It's a budget that invests highly in Albertans' priorities. The President of the Treasury Board and I travelled this province extensively last fall, and what we heard time and time again was that priority spending had to be on health, education, and human services, and 80 per cent of this operating budget goes to those three areas. Yes, we will show a small deficit in this coming fiscal year, but we are positioning ourselves to have surpluses of close to a billion dollars the following year and over \$5 billion the following year.

3:00

Now, I know there have been some questions asked about those so-called rosy projections. In fact, I think our group of friends over here have called them Alice-in-Wonderland projections.

They said that \$108 oil was too optimistic. Well, this afternoon the last time I checked, Mr. Chairman, oil was trading at \$105 a barrel. I would suggest that if that's too optimistic, then I'll gladly accept that criticism.

What we have done in this particular budget, as we always do when it comes to projecting our revenue forecasts, is take an average of what the international forecasters, the private-sector analysts, are saying. Then we take that number, we sit down with producers, we listen to what their views are on production levels, we multiply the two, and that's how we come up with those numbers.

One of the other things that this particular group of individuals over here was predicting prior to the budget was that there were going to be tax increases in this budget. Well, guess what? There were no tax increases, so the predictability of our friends is not very good. In fact, it's zero right now. If we're going to be talking about taxes in this budget, that there were none, then why are we talking about taxes in the next year? The next year is basically what our budget is about.

I want to get back to spending a few minutes on our particular business plan. Goal 1 of the business plan is about providing economic, tax, and fiscal advice that supports strong and sustainable government finances. That's a big job, Mr. Chairman. It's going to be a big job in 2012 because we have committed that in 2012 we're going to do an overall review of our fiscal policy, our fiscal framework, and our savings strategy. Reaching this goal will involve an important discussion with Albertans about where we are now and where we want to be in the future.

During that consultation we're also going to be talking to Albertans about the heritage savings trust fund and what role it plays because I think one of the things that we hear from Albertans is that we've lost the attachment to that heritage fund.

Other goals in our business plan include ensuring that revenue programs are administered fairly, efficiently, and effectively; that we provide policy and regulatory oversight for the financial, insurance, and pension sectors; and that we also show leadership in sound investment, treasury, and risk management.

The last point that I mentioned includes providing our investment manager, which is AIMCo, with strategies for achieving optimal performance in that \$65 billion in investments – pension, heritage fund, and sustainability fund – that AIMCo invests on behalf of the government of Alberta. You know, despite uncertain global market conditions AIMCo continues to get investment returns at a prudent level of risk.

We also, as I mentioned, are responsible for the Alberta Gaming and Liquor Commission. Besides the revenue that's generated through the commission, there are a number of social responsibility programs that are undertaken, including the voluntary self-exclusion program, online training for gaming venue staff, and mandatory Smart training for liquor industry workers.

The final goal of our business plan deals with accessible financial services for Albertans, and that really comes down to our Alberta Treasury Branches, or what's now known as ATB. We're operating in close to 250 communities across the province, serving over 680,000 Albertans. It's a valuable part of Alberta's network of financial institutions. We need to keep ATB strong not only for their clients but for Albertans as taxpayers.

I've gone over our business plan. This is a budget, Mr. Chairman, that has a little bit of revenue. We're forecasting an increase of about \$1.3 billion from Budget 2011, and that's largely due to corporate and personal income taxes as our economy continues to strengthen.

On the expense side department expenses have decreased by, I guess, \$32 million over Budget 2011, and this is primarily in an

area of debt-servicing costs. We also have in our budget to enhance the scientific research and experimental tax credit and some increases in program expenses, primarily around the area of technology.

I guess what I'd like to say in conclusion is that I believe I've demonstrated our commitment to achieving the goals in our business plan, and I've explained some of the reasoning behind our estimates. I'm also confident that I've demonstrated how our government through Budget 2012 and by supporting the success of Albertans is helping to keep Alberta strong now and into the future. I look forward, Mr. Chairman, to the next two hours and 50 minutes of dialogue with not only government members but our friends across the way.

**The Deputy Chair:** Thank you.

Just before we get into the debate, I just want to remind all members here that Standing Order 59.01(4) and Government Motion 6, that was passed on February 8, 2012, do apply. We've heard the opening comments of nearly 10 minutes from the minister. Now for the next one hour only members from the opposition party may engage with the minister, speaking not more than 10 minutes per person at a time. Following that, 20 minutes will be given to the third party and, following that, another 20 minutes to the fourth party and so on as per the standing order and Government Motion 6.

With that having been said, I would recognize the Member for Edmonton-Gold Bar.

**Mr. MacDonald:** Yes. Thank you very much, Mr. Chairman. I listened with interest to the hon. minister's opening remarks. Certainly, there have been changes made to Alberta Finance since the last budget, and it seems to be the same old same old in this House.

I think it would be better, Mr. Chairman, if we clarified this right off the start. Would the hon. minister prefer just a Q and A for the first hour?

**Mr. Liepert:** Whatever works for you.

**Mr. MacDonald:** Whatever. Okay. Let's try that. It's not what works for me, hon. member; it's what works for the taxpayers. This process, as you know, doesn't work for the taxpayers. It works for the public relations department of the government, no one else.

Now, gaming research. We're going to look at element 6.1, gaming research, which, Mr. Chairman, is an amount of \$1.6 million. We look at the lottery estimates, and we realize that mostly through VLTs and slot machine revenue you're going to anticipate \$1.3 billion plus in revenue from that. One of the research projects where the \$1.6 million is used, of course, is at the Alberta Gaming Research Institute, this project last year, *Gambling in Alberta: History, Current Status, and Socioeconomic Impacts*. It was there in question period today, where I was interrupted.

I would like to ask again: whether you're looking at AADAC, which is roughly \$6 million for addictions, or at the fact that we have only \$1.6 million going into Alberta Gaming Research to look at the problems and the issues surrounding VLTs and slot machines and their use throughout the province, does the minister consider – and you can pick either budget or both, and I would remind you that three years ago of the \$6 million that was used in AADAC, half of that went to treatment of people with issues or problems – these budgets adequate to meet the needs of the 19,000 problem gamblers who have been identified? You've got to remember that a small number of gamblers are putting a large amount of money into those machines on an annual basis which is going to generate revenue of up to \$1.3 billion plus this year.

Thank you.

3:10

**Mr. Liepert:** Well, I think there are a couple of things that need to be addressed. I know the member had asked the question in my absence a little earlier in the month. Again, I'm not sure where he got the statistics from. My recollection is that the assertion was made by the member that 75 per cent of the dollars that come in through VLTs come from, in his words, problem gamblers. Now, I'm not sure where those numbers come from. It's difficult to identify who's a problem gambler and who isn't a problem gambler, Mr. Chairman.

The other thing that I think needs to be pointed out is that the member talked about the 1 and a half million dollars going into research. I think he's confused or is trying to leave the impression that that million and a half dollars is what is being used for addictions treatment. That's not what's happening. Much of the addictions treatment, Mr. Chairman, is in my colleague the minister of health's area.

It's difficult to assess in the addictions area. There are a whole bunch of factors that go into addictions, and that's one of the reasons why we moved AADAC into the health system. Quite frankly, sometimes in addiction there might be multiple issues at stake. So it's really hard to pinpoint exactly which dollar is going specifically just to gambling addictions. There may be other addictions involved. I know that in the department of health there is a significant amount of money that's allocated to – and I don't want to leave the wrong impression here – the area of mental health and addictions.

I know that the member would like us to be very specific relative to every dollar that's channelled and then sort of divide by the number of so-called problem gamblers and come up with a number. It's simply not that easy, Mr. Chairman.

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

**Mr. MacDonald:** Yes. For the minister's information – and I'm going to ask that he does his homework. I don't want to sound like the Speaker, but I'm going to ask him, and not over a long weekend, to do his homework and report back to the House tomorrow.

Certainly, this report, and it's a very good one, the final report to the Alberta Gaming Research Institute from last year, got its data from the Alberta Gaming and Liquor Commission, Alberta Alcohol and Drug Abuse Commission, Alberta Health Services, the office of the Chief Medical Examiner – we know what that's about – the Medicine Hat Police Service, and Lethbridge Regional Police Service among others. This information was provided. There is a breakdown of Alberta's expenditures on problem gaming, or gambling. I think gambling is a much better term, unfortunately. I'm sure the ministry has this. We do know that this ministry sets the standard for all other departments, including Health and Wellness. It specifically indicates that of the \$6 million that's set aside, \$3 million is used for the treatment of problem gambling.

There is a lot of information available through Alberta Health Services on the issue of problem gambling. It is reported that there are up to 55 suicides a year in this province as a result of problem gambling. If that is true, that is one a week. This is a serious problem that we have here.

Now, I'm going to ask the hon. minister – he was doubting my facts, but these are from a publication that was funded by the government. It deals specifically with who uses VLTs and who does not. I'm going to read it into the record so the minister can understand and respond, Mr. Chairman. This is from a report,

again, funded last year by the Alberta Gaming Research Institute. "The proportion of game-specific expenditure accounted for by problem gamblers is as follows: 86% for Internet gambling, 77% for VLTs, 72% for slot machines."

This is information that is publicly reported, and this indicates that we have a serious problem. We have big spenders. In fact, Mr. Chairman, we have 5.8 per cent of gamblers accounting for 75 per cent of total reported gambling expenditures in 2008 and 2009, and I'm requesting now from the minister: in this year are you going to increase the funding that is needed to help problem gamblers, or are you just going to pretend the problem doesn't exist?

**Mr. Liepert:** Mr. Chairman, it would be very interesting to hear from this member what he describes as a problem gambler because maybe everyone who spends – I don't know; pick a number – a hundred bucks on a VLT is a problem gambler in his mind. I don't know.

All I can say is that we do constant research. We have a budget. It's before the House. We also have additional funds that go through Alberta Health and Wellness for addictions treatment and counselling. Those are the estimates we're going to be dealing with. If the question is, "Am I going to change my dollars in this budget estimate," the answer is no.

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

**Mr. MacDonald:** Thank you. Of the 19,436 problem gamblers who wanted help for their gambling issues, we had a budget that allowed fewer than 2,000 of them to get help. You are telling this House and the taxpayers that you're going to forget about it, you're going to ignore the problem, and we're not going to try to help these folks out.

**Mr. Liepert:** Mr. Chair, I challenge that member to show me where I said that. That isn't what I said. I would challenge the member to tell me where he's getting those numbers from that say that we're leaving those people out. I don't believe that to be the case. I want him to show me the data that says that the numbers he's stating are not being treated if they're asking for the treatment.

There's also a difference here. You could be a problem gambler and not seek counselling. We can't treat someone who doesn't want to be treated.

But if this member has hard facts and data that show that whatever the number he says were turned away from counselling and treatment, I want him to put it on the table.

**Mr. MacDonald:** For the record on pages 176 and 177 – and I'm asking you to do your homework and do it tonight. Don't be watching any television. You just do your homework, hon. minister. On page 176, table 46 of the gambling history report, problem gamblers projected in the Alberta adult population in 2008-09, over 72,000; wanted help for gambling problems, 26 per cent of them, or 19,436; sought help for their gambling problems, 8,330. The ones that were helped: unfortunately, in that year it was 1,893.

We can do better than this. I'm sorry; the facts are here. You have lots of staff. You have a communications team. You have a research team. You introduced staff up in the government gallery there. Put them to work to get the information for you. You should fix this problem and fix it right now.

Now, again I'm going to ask you – and I've given you the information; I've told you where it is – are you going to fix the problem?

3:20

**Mr. Liepert:** I am amazed that this party is focusing on this one particular issue in this entire budget. Mr. Chairman, I have said that I want him to show me specific cases of someone that didn't receive help when they sought it. I'm not going to go to any particular research document. Those are general comments that may have been made in a research document. If he has a specific case of someone who is not getting help that wants help, then he owes it to this Assembly to bring it to our attention. You can't just make these wild comments out there and then try and lay it on staff in the department. If there's something specific, bring it forward and we'll look at it.

**The Deputy Chair:** Before we proceed, hon. Member for Edmonton-Gold Bar, would you mind just telling me if the document you're referring to has already been tabled in this Assembly? Is it available to everyone?

**Mr. MacDonald:** It's in the public library. It's a big document. It's in the Legislature Library and it's in the public library and it's on the Internet. Every member, hon. Mr. Chairman, who has their computer on can google it, and it'll come right up.

**The Deputy Chair:** Thank you. Just to conclude, because the chair is searching for the tie-in between what document you're referring to and the actual estimates that are before us at the moment, perhaps you could just loop the two together, and we'll continue on.

**Mr. MacDonald:** Mr. Chairman, I'm not going to waste my hour of time verifying where I've done my research. This document is available. I was clear from the start.

The minister is ignoring his duty, which is to fix the problem that we have here. Unfortunately . . .

**Mr. Liepert:** Give us the instance. Give us the instance.

**The Deputy Chair:** Through the chair, please.

Hon. member, all the chair is asking for is the correlation between what is on the floor of the Assembly right at this moment – and that is the estimates, the main estimates for the department – and the report that you're alluding to. If you could just tie the two together, we could proceed.

**Mr. MacDonald:** For the minister's information there would be one specific case. I would refer the hon. member to a case that was cited in Public Accounts on November 30, and I will just leave it at that. Again, as part of your research, sir, you can check that out. It was brought before the Public Accounts Committee.

Now, I'm going to continue with this document. There are many, many questions there, and they centre now on lottery funding and the lottery estimates. We do have, you know, the details of the lottery fund estimates, and I have questions. How exactly are the lottery fund estimates allocated? I see a chart here on pages 116 and 117 of the government estimates. Who decides where that money goes? Is it Treasury Board or is it the Minister of Finance?

**Mr. Liepert:** It's Treasury Board, Mr. Chairman.

**The Deputy Chair:** Thank you.

**Mr. MacDonald:** So if Treasury Board decides this, does the Minister of Finance ever think about where the money goes geographically across the province, and is the distribution of that revenue fair?

**Mr. Liepert:** I haven't heard that it isn't, Mr. Chairman.

**The Deputy Chair:** The hon. member.

**Mr. MacDonald:** Thank you very much. So the minister hasn't heard that it isn't. Well, again I'm referring to Gambling in Alberta: History, Current Status, and Socioeconomic Impacts from 2011. I'm looking at table 28 on page 128, and this shows Alberta lottery funds received 1998 through 2010 as a function of census division. There's a long list of census divisions, 1 through 19, and then there's a column on Alberta lottery funds per person and total Alberta lottery funds received. My question would be: if you haven't done the analysis to see that this distribution is fair, why, for instance, would Alberta lottery funds in Camrose-Lloydminster average per person \$1,179 over that period of time, and in Fort McMurray the Alberta lottery funds per person is \$385? There is a significant difference in these amounts, with Camrose-Lloydminster being three times higher than Fort McMurray. Why is there such an uneven distribution geographically on lottery funds distribution?

**Mr. Liepert:** Mr. Chairman, I'm not exactly certain what the member is referring to, but I'm assuming he's referring to the community facility enhancement program, those two programs that actually fall under the Minister of Culture and Community Services.

**Mr. MacDonald:** No, no. You can't get away that easily. This lottery fund estimate is in your ministry, sir. I want to know if you have taken a look to see if this lottery fund money is evenly distributed on a per capita basis across this province. I could put it to you another way. Given that there is a lot more money coming out of Fort McMurray on average per VLT than, say, there would be out of Camrose, why do the citizens of Fort McMurray get so much less in lottery funds received than, say, the good people of Camrose-Lloydminster, St. Paul, Hanna, Athabasca, or Slave Lake? These are the five census divisions where the Alberta lottery funds per person exceed \$1,000.

**Mr. Liepert:** Mr. Chairman, I'm not exactly certain which particular document the member is looking at, but when we – our lottery estimates as part of the Department of Finance are allocated to the various departments of government. Those dollars are then allocated to programs within the various departments. I have no idea why particular dollars might be less in one part of the province than another. I think that if this particular member is really interested in talking about the estimates of the department, he might want to stay on a broader scale instead of drilling down into some particular report that he's found and trying to somehow say that a particular part of the province isn't getting as much funds as the other part of the province.

I'm not exactly sure what he's referring to in this particular effort.

**Mr. MacDonald:** Well, these certainly are your lottery fund estimates, and these are the funds that have been distributed. Now, not only is Fort McMurray, in my view, getting shortchanged on a per capita basis over a long period of time, so is Edson, Red Deer, Rocky Mountain House, Grande Cache, Lethbridge, and Medicine Hat. There doesn't seem to be any reason for this. My question to you is: when you determine what amounts are distributed, how is that done? Is it on a political basis? Is it on a needs basis? What exactly is the formula used to distribute this funding?

**Mr. Liepert:** Mr. Chairman, we work with all the departments in government to assess what their particular needs are and how they relate back to lottery funding and the general broad principles of

how lottery dollars are allocated. Some might go to Health. Some might go to Education and various departments. When they go to those particular departments, it's not up to the Department of Finance to track those dollars, which geographic area they end up in.

For him to stand here and try to make the allegation that there's political interference in this, I think that's just going a little bit too far.

**Mr. MacDonald:** I think the minister is very sensitive, hon. chair.

Now, in the last 10 years the lottery fund has provided \$391 million to horse racing, and this year we are seeing a slight increase.

**Dr. Swann:** He wasn't listening. You'll have to repeat that.

**Mr. MacDonald:** That's okay, hon. member. I don't think it would matter.

The horse-racing and breeding renewal program is, well, almost a 10 per cent increase, \$26 million this year. That will bring the total up to close to \$400 million in a period of time when we could have used the money for a much wiser purpose. The proportion of gambling revenue derived from horse racing has declined significantly since the 1980s, when it was as high as 21 per cent, and now only constitutes about 2 per cent of revenue. Why if horse racing constitutes about 2 per cent of gambling revenue are you continuing to subsidize horse racing? It doesn't make sense.

3:30

**Mr. Liepert:** Well, Mr. Chairman, there is an agreement in place with Horse Racing Alberta. This particular government honours agreements – not so sure that particular member would honour an agreement if it were in place – and we have an agreement in place. The reason that agreement was signed in the first place by this government a number of years ago was because the economic benefit to this province was estimated at some \$300 million annually and employing some 8,000 Albertans. If this particular member wants to go out there and talk to those 8,000 Albertans and tell them, "We're going to fire you if you elect us as government," let him go ahead and do that. I'd like to see his response when he goes to Grande Prairie, as an example, and makes that case or goes to Lethbridge. I challenge him to go do that. That's exactly what would happen.

**Mr. MacDonald:** That's already been done.

Speaking of honouring agreements, I would have to remind the hon. minister at this time that this is a government who saw an agreement between the EUB to share the bill for transmission upgrades or expansions, 50 per cent with consumers and 50 per cent with generators. That agreement wasn't honoured. No, that agreement certainly wasn't honoured; it was overturned. [interjections] It was overturned in a ballroom in Banff, of all places. That's one example. The agreements that have been made lately on the transmission lines, the Premier's office not knowing what the Minister of Energy's office wasn't doing – hon. member, your government and your party have a long history of not honouring agreements. Wow. What a statement.

**Mr. Liepert:** In a couple of months we'll see.

**Mr. MacDonald:** Yeah, we will. We certainly will. And I have no idea where you will be.

Now, hon. minister, some people say the fifth and other people say the fourth consecutive year of deficits in Alberta since 2008. The deficit projected for this year – and the minister mentioned it

– was \$886 million, and this is from a government that sells themselves as prudent managers.

**Mr. Liepert:** You betcha.

**Mr. MacDonald:** Yeah, you bet. Yeah.

The track record, hon. minister, is not there. In 2010, only two years ago, the government was projecting the year we are in now, 2012-13, to have the first surplus since the recession. I don't see the Minister of Finance in a black suit. In fact, I don't think I've ever seen the hon. gentleman in a black suit. He's got one, but it's in the closet, for sure, and the dry cleaning bill on that suit would never be high because he can't use it.

For 2012-13 we were projected to have the first surplus, and it was targeted to be \$505 million. This obviously didn't happen, which is just one example of the many unrealistic messages that are emitted from this government through their public relations department. The government of Alberta news release states that the savings set aside in the stability fund will be used to off-set this \$886 million deficit, and we do know where the sustainability fund came from. Now, this government was projecting a return to surplus in the 2010 budget by this year, yet that has not happened. Why? How can taxpayers expect credibility on budgeting when the deficit position, your track record, is so poor?

**Mr. Liepert:** I'll take a few minutes on that one, Mr. Chairman, because this particular member is making some outlandish comments here. I look, as an example, at the Liberal government of Ontario. Let's talk about Liberal versus Conservative when it comes to who has a better track record.

I think that it's important to state on the record that since last fall, after the leadership, we have a new Premier, and we started to do things differently. In this particular case, when it came to budget preparation, we went out and consulted with Albertans. Albertans told us in no small number that we needed to ensure that spending on health and education was a priority, and that's what we've done in this particular budget. They also told us that the Premier's commitments around human services were important to them, so those dollars are also in the budget. Mr. Chairman, we could have balanced the budget this year by slashing social spending. I know that he'd be the first member to stand up in this House – and if not him, it'd be the one next to him – talking about how we're spending less on human services, how we're spending less on education, how we're spending less on health.

We are in a fortunate position. This member talks about mismanagement. What actually happened over the past seven or eight years was that we had excellent management in this province that created the sustainability fund so that when we need to progressively move back to a balanced budget, we've got the sustainability fund to draw on. What was it there for, hon. member, if it wasn't to ensure that services could continue to be provided to Albertans? That's exactly what we're doing with this budget.

We are projecting in an orderly way to get back to a surplus position in '13-14. If you take a look at the revenue streams that are coming from the oil sands in '14-15 and the years beyond, Alberta is going to be in a very strong financial position, far better than any other province in Canada, far better than any Liberal-managed government in Canada. I think, Mr. Chairman, that this particular member is really stretching it when he's trying to suggest that somehow this province hasn't had good fiscal management over the past number of years. It's put us in the strong financial position we're in today. No sales tax, no payroll tax, the lowest fuel tax: I could go on here for my full 10 minutes

if I wanted to, hon. member, but I'll give you the chance to respond.

**Mr. MacDonald:** Wow. Now, talking about fiscal management, let's have a look at the deficits that were racked up here: 2007-08, \$682 million; 2008-09, \$928 million. No; these are the cash transfers. I'm sorry about that. Here are the deficits. I'm going to just mention one: 2007-08. We could also go back into 2008-09.

We're talking about prudent fiscal management. This is a government that fired the regional health authorities, created the superministry – the minister would know something about that – set aside \$80 million for transition costs from the nine health regions to the one superboard. In those transition costs were severance payments, pension top-ups, and whatnot for senior management, including one, a \$22,000-a-month pension – a month – for Jack Davis, who was the chairman of the Calgary regional health authority. This is really sound fiscal management, hon. members. A \$22,000-a-month pension was just one item, but it illustrates the poor financial management that this group has allowed to happen.

Then we fast-forward. We're talking about good management, yet health care workers in hospitals throughout the province had to have a wildcat job action to get this government's attention. You don't treat them the same way you treat your hand-picked government managers. Hon. minister, that's an example of how this government manages its money, and it's also an example of how you waste money. Please. Your track record is not what you think it is. It may be in your mind, but it's not a very stellar track record.

To the minister: how much longer do Albertans have to wait before the government actually puts forward a comprehensive fiscal strategy that includes a long-term vision for savings, controlled spending, and a reduction in reliance on nonrenewable resource revenue to fund core programs? Your budget right now, for this year – and I recognize there's an election coming up – is all about spending, nothing about savings.

**3:40**

**Mr. Liepert:** Well, finally we got a question that relates to the department out of all of that, Mr. Chairman. We've been pretty clear with what the plan is despite that some of the opposition can't quite figure it out. We have said that we're going to engage with Albertans over the next year in a conversation about the right fiscal framework. Of course, there are some who try to portray that as tax increases. We'll see. Their record isn't all that good. Their projection record right now is standing at zero because they were wrong on the taxes in the budget. But we're going to have that conversation.

Of course, the Liberal opposition wouldn't know what that's all about, Mr. Chairman, because they don't consult with Albertans. They just kind of ramble on whatever study they might happen to dig out of the library or whatever is in the newspaper on a daily basis. In the year forward this government is going to consult with Albertans to look at what the right fiscal framework for the province is. That's going to include a savings strategy. That's going to include what the right tax structure is and how we ensure that we don't ride that roller coaster of nonrenewable resource revenue to the point where we have in the past.

Now, the member also asked about cost savings. Well, I hope he was sitting in this Legislature and participating in the debate on Bill 1 because it was clearly laid out. That's how we're going to ensure that Albertans are getting good value for every dollar that we spend. It's all in front of them, Mr. Chairman.

**Chair's Ruling****Relevance****Addressing Questions through the Chair**

**The Deputy Chair:** I just want to take a moment to remind ourselves again that we're debating the estimates of the Ministry of Finance – just that one ministry, not all of government, hon. members – as found on page 109 of the estimates through to about page 144. That having been said, we're going to pay even more careful attention here to the substance of the debate.

Could I also ask that the debate occur through the chair. It's been my observation after many years in this Chamber that when members start to spark across the aisles, that's when points of order start to fly. So I would ask the hon. Member for Edmonton-Gold Bar to please pick up on that tone and carry on.

**Debate Continued**

**Mr. MacDonald:** Thank you. My next question would be to the hon. minister regarding the fiscal plan. He gave the speech. If he can't defend his budget, that's not my problem. If he doesn't understand it, that's not my problem. You're talking about Bill 1. What are your anticipated savings on an annual basis that will occur as a result of streamlining the government efficiencies that are in your fiscal plan? What is the number?

**Mr. Liepert:** Mr. Chairman, we have made it very clear – and if this member would have participated in the debate, he probably would have known – that what we're talking about is zero-based budgeting, results-based budgeting, that starts at zero. Now, how could you possibly stick a number out there to shoot at? What we need to ensure is that every dollar that is spent by this government is spent the most efficiently on behalf of taxpayers. The higher the amount of savings, the better off Albertans are going to be. That's the only answer I can give at this stage.

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

**Mr. MacDonald:** Yes. Well, I think the anticipated savings would be around \$360 million, and that's considerably less than the public relations spin put on Bill 1 prior to the start of the spring session. Again, the hon. minister has a lot of homework to do there, and I'd encourage him, as soon as the budget debate this evening is over, to get started at it.

Now, according to the government of Alberta strategic plan Alberta Finance will expend \$1.1 billion to achieve the government's goal of securing Alberta's economic future. How exactly will this \$1.1 billion be spent? How will the expenditure of the money improve Alberta's economic future? What direction has the Premier given the Finance minister? I know the Premier – the Finance minister, Mr. Chairman, is quite sensitive about this – has really put the Finance minister on a short rein. He can't sign an expenditure unless he gets the okay of the Treasury Board president, and that's a change in government rules. So I can understand why the Minister of Finance is sensitive. But I would like to know what direction the Premier's office has given the Finance minister regarding this expenditure.

**Mr. Liepert:** Well, the short answer, Mr. Chairman, is none. You know, I think we need to go back and clarify just to make sure that this hon. member is not under a misapprehension, believing that in the budget process prior to the adoption of Bill 1 in-year savings in the budget were some \$360 million. That is a standard process that we have gone through in the past number of years. We would hope that under the Bill 1 process we're going to far exceed the \$360

million, but those were the numbers that were put in the budget without the idea of Bill 1 and what that might uncover. There are a number of things that factor into that, everything from dollars that are lapsed from one year to another – those are called in-year savings. I don't think he should be tying the \$360 million of in-year savings into the good work that's going to come out of Bill 1.

Relative to his final question, the numbers he's looking at, that's our department in terms of our work that's going to be required as part of this process. That's the funding that comes to our department.

**The Deputy Chair:** Thank you.

The hon. Member for Edmonton-Gold Bar.

**Mr. MacDonald:** Thank you very much. Now, in 2009 the Fiscal Responsibility Act was amended to allow for deficits. The limit of \$5.3 billion for how much nonrenewable resource revenue can be spent before it has to be transferred to the sustainability fund was eliminated as well as the clause legislating that \$2.5 billion must be retained in the sustainability fund for natural disasters and other emergencies which could happen. The only limit now on the deficits in drawing from the sustainability fund is that the fund can't be drawn below what is in the account, meaning that the government can spend every penny – every penny – in the sustainability fund and can spend every penny of nonrenewable resource revenue without any of it having to be put into the sustainability fund.

Since these amendments, Mr. Chairman, the government has used the sustainability fund to offset deficits or other cash requirements when the general revenue stream was insufficient. The current reported balance of the sustainability fund is \$3.7 billion, but the investment income earned on this fund was only \$165 million this year compared to \$495 million earned last year because of the withdrawals to offset the deficit and cash requirements. The investment income projected decreases even further over the next few years. To the minister: what is the government's plan if the money in the sustainability fund runs out? What happens to all the spending that is reliant on the sustainability fund if the economy doesn't recover and if your projections for the price of oil are like your projections were seven years ago for the price of natural gas, off base and totally wrong?

**Mr. Liepert:** That's a pretty easy question to answer, Mr. Chairman, because on about three occasions the three questions in there started with "if," which is a presumption of: well, hypothetically, what if? We can't answer those kinds of questions because those would be the worst-case scenario. What we've done is that we've taken what is a realistic projection going forward. I outlined in my opening remarks – I'll be happy to take another 10 minutes if the member would like me to take the time to tell him – how we came up with the projections that are there.

I'll repeat. If you look, hon. member, at what we're projecting for the price of oil three years out, \$108, and check the price of oil today – it's \$105 – if you want to call it unrealistic for a \$3 increase in the price of oil over the next three years, well, go ahead, but those are realistic projections. I'm not going to get into debating about: well, what if? Those are projections based on, standing here today, the best information we have, and on that best information we won't reach the scenario that he's trying to paint, Mr. Chairman.

**The Deputy Chair:** The hon. member.

**Mr. MacDonald:** Thank you, Mr. Chairman. After that non answer I'm confident taxpayers will be very relieved whenever

they look at the history of this province, the history of this Legislative Assembly, and those who came before you and sat in the Finance minister's chair. I don't have the details or the history, but I'm confident taxpayers will be very relieved that you, hon. member, are one of the shortest serving Finance ministers.

3:50

Now, Budget 2010, page 14 of the fiscal plan, stated that the sustainability fund "will be replenished beginning in 2012-13, as the first plank in Alberta's savings policy." Mr. Chairman, you will recall that earlier I said that this is a budget that's entirely about spending. It's about spending money to try to get re-elected. It has no pause or thought for a good savings plan.

Now, again, I'll point out that this is just another commitment from a government that has failed to meet its previous commitments regarding fiscal policy. Another example of the lack of credibility in this budget is the fact that just two years ago it was stated that the sustainability fund would be replenished in 2012-13 as part of a savings policy. What happened to this claim, why was it not maintained, and how can we believe that this claim now is any different?

**Mr. Liepert:** Well, I think we've spent a fair bit of time on that, Mr. Chairman. We've talked about what's going to happen over the course of the next year relative to savings as it's tied into the fiscal framework. I can't elaborate any more on that because we're going to listen to Albertans. We have as part of our three-year business plan, contrary to what the member has just stated, made a commitment that the sustainability fund will start to be replenished in year 3. We can't do any better than that right now because we need to reach a certain level of surplus before we can start to put money back into the sustainability fund. We've made that commitment for year 3, but in the interim we're going to go through this process over the next year, and we're going to go through the process of Bill 1 over the next three years. My only answer to the hon. member is to stay tuned.

**The Deputy Chair:** The hon. member.

**Mr. MacDonald:** Thank you. There is currently a push to diversify Alberta's exports into Asian markets as seen through the proposed Northern Gateway to Kitimat – or now it might proceed to Prince Rupert – and the Department of Energy's development of a clean energy to Asia strategy. This is, again, in the fiscal plan on page 69. There is a report and a caution about the slowing down of economic growth in both India and China in the second half of 2011 – this is the previous fiscal plan – "and a further cooling would hurt world growth prospects." Further, on page 88 of the fiscal plan it highlights the risks of possible asset price bubbles in China and the undervaluation of the Chinese currency, which could disrupt the Chinese banking system and disrupt global trade. How are these risks being incorporated now into Alberta's fiscal strategy? What steps are being taken to avoid exposure to the possibility of the bursting of the asset price bubble and the problems of the undervaluation of the Chinese currency? Are there other markets outside of Asia that the government is looking at at this time as well?

**Mr. Liepert:** Mr. Chairman, this is really your area to rule on, but we are talking about the estimates for the Department of Finance. The questions that the member has raised are a number of questions relative to the strategic plan of the Department of Energy. I'm happy to spend some time talking about Northern Gateway and the opportunities that we have in Asia. It doesn't quite fall within the Department of Finance's estimates, but we

can have that discussion. Clearly, we have seen that we can't rely on one customer. The hon. member knows that. He would be the first to admit that. This is a vital effort that Alberta is leading to get new markets developed, and it's part of our fiscal plan.

I think that within what we're presenting to the House today, this year's budget and the three-year fiscal plan, obviously any access to Asian markets doesn't factor into that. We also know that in our province our oil production, primarily because of the increase in production from the oil sands, is going to reach some 4 million to 5 million barrels by 2020, and we know that we need to have that additional market access, but that doesn't factor into the three-year business plan and the department estimates that are before the House today.

### Chair's Ruling Relevance

**The Deputy Chair:** Thank you. Yes, the chair is acutely aware of some meanderings that occasionally occur when we're debating in this Assembly. The chair is quite prepared to let a little bit of it occur if it can be tied back into the main estimates that are, actually, technically on the floor of the Legislature right now, and that would be the Ministry and the Department of Finance.

Proceed.

**Mr. MacDonald:** I'm not being disrespectful, but I would remind the chair and all hon. members of this Assembly of the fiscal plan presented by the Minister of Finance just recently, and I was locked up. On page 69 of this document there are three bullets titled Clouds of Uncertainty Loom. We're talking about the European debt crisis, we're talking about economic growth slowing in China and India, and an economy heavily reliant on trade and commodities. These questions certainly are relevant to this ministry, and I expect answers on behalf of taxpayers.

**The Deputy Chair:** Hon. Member for Edmonton-Gold Bar, I appreciate the point you're trying to make, and there is nothing wrong with you referencing what you're referencing as long as you can tie it into the estimates, the actual estimates. That's what we're debating, one department at a time. You'll have other, ample opportunities to debate estimates for Health, for Education, for Environment, and so on, but today we're dealing with the department, the Ministry of Finance, and their estimates specifically.

**Mr. MacDonald:** Thank you. The minister is responsible, whether they like it or not, for these questions. Now, if they cannot or will not answer, I'm certain some taxpayers are listening, and they can draw their own conclusions, Mr. Chairman.

### Debate Continued

**Mr. MacDonald:** In the time that I have left, the heritage fund is a very important fund that has been neglected, that has been, in my view, abused by this government for a number of years. The estimated value of the heritage fund for the 2012-13 year is \$14.9 billion according to page 126 of the ministry estimates. This is an increase of over \$306 million from the previous year's forecast. The fund was valued at \$17 billion in 2008, the fund was valued at \$12.4 billion in 2004, and if we go back to 1988, the fund had a value of \$12.5 billion. Now, in 2008-09 the fund saw a loss, of course, of \$2.5 billion in investment income, and that wasn't the minister's fault. We had a financial crisis; we recognize that. The crisis that the gentleman was involved in at that time was with Alberta Health, not Finance. How can the minister justify to Albertans why the heritage fund is only worth \$2.4 billion more,



nominally, than it was 24 years ago? This government has failed with the savings plan.

**The Deputy Chair:** Well, I do note that the Alberta heritage savings trust fund is actually referenced in your estimates on page 113.

**Mr. Liepert:** He actually did it. You're right.

**The Deputy Chair:** Proceed, please.

**Mr. Liepert:** Yeah. But I am going to challenge him. He used two words that I think are inappropriate, "abused" and "neglected." That's just foolishness, Mr. Chairman. There's a very simple answer to what the hon. member's question was. Why is it only worth whatever the number is? Because there's no additional money going in other than inflation-proofing in several years, and the interest from the fund primarily is coming into general revenue to pay for a number of the services that Albertans are asking for. You don't have to have a degree in economics to figure out the answer to the question.

What we have said is that the heritage fund, not just how big it is but how the heritage fund relates to Albertans, is part of that fiscal review that we're going to do, actually, this year. I have to keep coming back to the fact that we've committed to this, that we're going to hold to that commitment, and I can't prejudge what Albertans are going to tell us, the direction of the heritage fund. It's all part of that fiscal framework review.

4:00

**The Deputy Chair:** Thank you, hon. members. We have about seven minutes left in this session.

**Mr. MacDonald:** Yes. Again to the minister. I know there is a large contingent in the government caucus of Norwegian ancestry. I believe there are nine. One of them has got his thumbs up behind you, hon. minister. I know that a former Minister of Finance went to Norway at one point to look at what they're doing. I would sincerely hope that you could listen to that Norwegian caucus in there and perhaps try to develop some of the saving strategies that the fine people of Norway have. It's surprising, but we know there is well in excess of \$540 billion in their savings plan from their nonrenewable resource revenue. Not only does Norway produce conventional crude oil from its offshore platforms but also a considerable amount of natural gas into the European markets.

Again, why is the minister letting the heritage fund lay stagnant with no annual contributions, however small they may have to be? Why are you just letting this stagnate?

**Mr. Liepert:** I think we have to get a couple of things on the record, Mr. Chairman. The analogy with Norway is always thrown out by members like this gentleman, but we have to remember two things. Number one, Norway is a country; Alberta is not a country. We as Albertans pay a significant amount into equalization in this country, which is a big chunk of money. If we were a country, it would be going into something like the heritage fund. But, no, we're Canadians. We pay towards the equalization benefit of all Canadians.

Number two, I'd ask the hon. member to take a look at – he's always throwing these barbs across the way about research. I'd ask him to google, as he said earlier. Get on your computer when it's not your turn to ask questions and google what the tax rates are in Norway, hon. member, and see whether or not their tax rates

compare to Alberta. I know the answer; he doesn't. So I'd ask him to look at what the tax rates are in Norway.

**Mr. MacDonald:** Thank you. I would suggest to the hon. minister that perhaps he should do the same with royalty rates since we have the same investor-owned energy companies willing to invest in Norway with the rules that they have. The same companies. In fact, the state-owned oil company in Norway, Statoil, is actively engaged in Fort McMurray.

**Mr. Liepert:** What's your point?

**Mr. MacDonald:** The point is that you should check out just exactly what the rules are in both Alberta as a province – you are right – and Norway as a country. You just can't dismiss that so easily because, certainly, citizens of this province question all the time why the Norwegians have been able to set aside so much in such a short period of time and why we in Alberta have set aside so little over a much longer period of time.

Now, there are many, many important issues, including AIMCo. We've got to get to AIMCo in the ministry here. I'm not going to save it for question period. I'm going to ask the minister: was he invited – yes or no – to the AIMCo Christmas party that was held at the Sutton Place Hotel in early December 2011?

**The Deputy Chair:** Well, hon. member, I think this is the fourth time now that I'm asking for relevancy in the most polite way I can.

**Mr. Liepert:** Well, I'd be happy to answer.

**The Deputy Chair:** Well, if you wish, hon. minister, but please make it brief. I don't know how you're going to tie it into your estimates. Let's try and stay focused here. We've got two and a half minutes left in this section.

**Mr. MacDonald:** We certainly are focused, Mr. Chairman. I take it that the answer was no? It was quite a party. I was provided the details of that party, and wow. The point in all of this is that they didn't have a very good year. They were like the Edmonton Oilers. They didn't make the cut. But there was quite an elaborate Christmas party, and I'm glad for your political career that you weren't there.

Now, what does AIMCo do and why does AIMCo continue to fail to meet the target rate of return for the heritage fund? What value is AIMCo bringing to Alberta's investments if it continues to fail on this front among others?

**The Deputy Chair:** Hon. minister, you have about a minute and 45 seconds left.

**Mr. Liepert:** I stand to be corrected, but I think the member is wrong. I don't think that we've been failing.

**Mr. MacDonald:** Well, maybe we'll get to that one in question period down the road because that hasn't been a stellar, stellar performance whatsoever.

Now, pensions. Line 5.3 on page 110 of the ministry estimates reports a decrease in expenses for public-sector pensions of \$53,000, or 4 per cent. Why? In comparison, line 5.1 on the same page shows a \$485,000, or a 43 per cent, increase for the expense of the deputy minister's office. Why are these differences happening?

**Mr. Liepert:** I will provide the answer shortly, Mr. Chairman.

**The Deputy Chair:** Thank you.

Hon. member, we have about 50 seconds left in this section should you wish to use it.

**Mr. MacDonald:** Okay. Again to the minister: why is there almost no mention of pensions in the budget documents except for a brief reference in one of the priority initiatives? What has been done to ensure Albertans have access to pensions either publicly or privately? That's under your charge.

**Mr. Liepert:** Well, I'm not sure I understand the question. Everyone who works for the government of Alberta has access to the government pension plan. We administer four pension plans. There's the local authorities pension plan, which is the municipalities and a number of other entities. We have the special forces pension plan. We have the management pension plan. Every employee within those organizations has access to a pension plan, so I'm not sure what the question is about.

**The Deputy Chair:** Thank you, hon. members. That concludes the first hour of debate.

We're now proceeding to the next section of the debate, again pursuant to Standing Order 59.01(4) and Government Motion 6, passed earlier this year. For the next 20 minutes the members of the third party who wish to speak with the minister may engage in an exchange, a combined 20 minutes. Do we have somebody from the third party? Yes, please, hon. Member for Airdrie-Chestermere.

**Mr. Anderson:** If we could go back and forth, that would be great.

**The Deputy Chair:** Yes, you may.

**Mr. Anderson:** I want to thank the hon. member of the opposition there with his last estimates for the Department of Finance. He's been very dutiful, I know, as chair of the Committee on Public Accounts. He's been very thorough in that job, and we thank him for it.

[Mr. Lund in the chair]

I also want to thank the hon. minister. He truly is a treasure trove of love, hope, and happiness. As he retires, the people of Alberta and this province want him to know of their great love and admiration for him. Although he is sometimes prickly and sharp, we all know that those sharp nails and that little bit of a prickly disposition are really just his passion for the province and for its people, for democracy, truth, and fairness. It just comes across a little harsh, but really it's only because he cares so much about these people.

We will miss you, Minister, and we thank you for all the work that you do in the Legislature.

**Mr. Liepert:** We'll miss you, too.

**Mr. Anderson:** I feel so much love coming from that side that I'm brought to tears sometimes.

If we could talk a little bit on taxes to start. I know that the word "fearmongering" is going to be used – I don't know whether projections are going to be used and all that sort of thing – but hopefully we can get a couple of answers here.

Minister, you have been somewhat confusing to some folks, certainly to me and to many Albertans that I talk to and that we talk to. Several times you've said, for example on CBC Radio, where you were quoted, that you think we should be talking about all kinds of taxation and what's fair for the province when referring to your fiscal framework idea, that you're looking into after the election. You said on November 16 on the Rutherford show, quote: all I'm saying is that at some point in time and

probably sooner than later Albertans have to have a conversation about our tax structure.

4:10

Then, of course, in several columns recently he's been very clear. I think he's been very truthful in saying that. For example, in two *Sun* articles his friend Rick Bell, who I know thinks highly of him, said that he was talking with the minister face to face, and taxes were on the table. Okay? So that's why Albertans are a little confused right now. I'm glad and happy – and I agree with him – that there are no tax increases in the pre-election budget. I think we should all give the minister a hand for that if we can. No? No hand? Okay. Yeah, I didn't think so. It's not that big of a deal because it's a pre-election budget.

Now, what we would like to know is if there are plans after the election to talk about whether or not we need to have tax increases. The reason I ask is because, obviously, there are some very healthy projections. He's very excited that oil is at \$105 a barrel today. That's great. It was at \$140 a barrel in 2008, and a couple of weeks later it was at \$35 dollars a barrel. You know, that was just four years ago.

We have a financial crisis on our hands right now in the world, the world financial crisis. The price of oil could go down tomorrow to, God forbid, \$80 a barrel, which would blow a hole through our entire budget. I guess all I'm asking is that if that scenario happens and, say, oil goes down to \$80 – let's just say \$85 and be really wild with our projections – in order to make up the difference that will occur there, is there a scenario where your government talks about the need to raise revenues through increased taxation? Is there a scenario out there when that happens, or is that not the case?

**Mr. Liepert:** Well, I hate to repeat myself, Mr. Chairman, but this particular member asked the same question that this member asked, and both times prefaced the question by saying: if, if, if. Well, we don't draw a budget based on if. We draw a budget based on what the international forecasters say is going to be the price of oil. Then we sit down with industry, and we go over their three- to five-year projections. At the end of the calendar year you multiply the two together. You also extrapolate out some adjustments for corporate and personal income taxes as a result of those higher prices. That's how you come up with the numbers.

If this particular member doesn't believe – obviously, he doesn't – the projections that are in the budget, then what he's doing is challenging all the international forecasters, he's challenging industry, and he's challenging those professionals who work in our department who then project what the tax revenues will be. This isn't something that, you know, the President of the Treasury Board and myself made up over a beer one night. This is how we come up with these particular numbers.

I think I also want to address the issue around taxes, and this member will probably actually agree with me on this particular case. When we talk about a fiscal framework and the tax structure – you can't talk about a fiscal framework without talking about the tax structure – it could just as easily go down in some areas to generate a bigger economic pie. This member will remember when we adjusted the royalties a few years back because the member sitting behind him was trumpeting: oh, if you raise royalties, we'll get an extra billion dollars into the treasury. Well, we didn't get an extra billion dollars into the treasury. We adjusted the royalty rates, and guess what? We got 3 and a half billion in land sales. This is a discussion we have to have about the fiscal framework. It has nothing to do with raising taxes. That's the discussion we're going to have with Albertans, and

we're going to listen to Albertans. Albertans will tell us what that fiscal framework will look like.

**The Acting Chair:** The hon. member.

**Mr. Anderson:** Okay. All right. Well, then, let's back up. We don't want to talk in ifs. All right? If this minister is so confident in the projections, which include a 24 per cent increase in overall revenues in a two-year period, including an over 40 per cent increase in resource revenues, if those are the projections you're going with – and I would dispute when you say that all economists and all industry experts say that. I've seen multiple, multiple reports that say otherwise. In fact, one of the main folks from one of the major pipeline companies in Alberta called us and said that the projections they were using on the resource revenues were hallucinogenic, in his language.

But let's say that we use those things. If you're so confident of these projections, Mr. Minister, why will your government not just make the promise, in this Assembly or somewhere else, that you're not going to raise taxes of any kind? Just make the promise. You call it. You draft it. Don't sign our pledge; make your own pledge. Make a pledge to Albertans that says: we are not going to raise taxes of any kind or create new taxes of any kind because we are so confident that the numbers we have forecasted here are true. Can you make that promise to Albertans?

**Mr. Liepert:** Mr. Chairman, we've made that pledge. It's called budget 2012-13. Every minister has signed the estimates in this particular budget document. I don't know what further we could do. In addition to that, we have said that we're going to listen to Albertans, that we're going to engage Albertans in the discussion over the next year, and if this particular party doesn't want to – well, actually, it's not a party. It's a collection of four individuals. If they want to not listen to Albertans, well, that's a risk they're going to take. If that's the way they want to go, then fine. What we're going to do – we've made our pledge. It's called budget 2012-13. There are no tax increases in it. Then we're going to talk to Albertans about what the future looks like. I'll take that to the polls any day, Mr. Chairman.

**Mr. Anderson:** Well, that's the point right there – you hit it right on the head – that we're going to the polls right away. What Albertans are asking: they want to know from this government what they're voting on. By the time we go to the polls, Budget 2012 will be voted on and will be law. We'll go forward with Budget 2012. They want to know what's happening going further, and I don't see how it's an unreasonable request for the people of Alberta to know what this government's plans are for bringing in future revenues.

It's pretty simple. Elections are about putting your vision on the table. They've had years, 40 years, to come up with a long-term fiscal framework, yet they need another year? I mean, how many task forces and road shows do we need? How many closed-door budget consultations or open-door budget consultations do we need before this Premier and this party decide what the long-term fiscal framework is for this province?

I don't understand. Again, we're going to the polls. Why won't you tell Albertans what your plans are? What are you going to do? Let them vote on it. What if they don't like the plan that you come up with should you be re-elected in the next election? What if they don't like it then? Well, you've taken away their opportunity to pass judgment. If you're so confident on your plans, put them in front of Albertans, and if you're not going to raise their taxes, just say it. Just say: "Absolutely, Alberta. Under no circumstances are

we going to raise taxes on you." It's very simple to do. We would hold you to it, obviously, but I hope you'll decide to do that.

I'll give you one last try. Will you commit to this House that your party is not going to raise taxes after the election, in that four-year term, at any time for any reason, or are there scenarios where you're planning to raise taxes?

**Mr. Liepert:** Well, I can only repeat what I said earlier, that this particular member especially and those individuals have been out trying to conjure up an image in this province prior to the delivery of the budget that somehow this budget was going to have a tax increase in it. We can show you the quotes if the member has a short memory. Well, he was proven wrong. We said that we're going to bring in a budget based on what Albertans told us. We delivered that. We aren't running out to have an election based on the delivery of this budget so that when we get re-elected, we can change it again.

We're sitting in this House right now passing this budget, and this will be the budget for the next year. We will then engage in a conversation with Albertans about our fiscal framework. I don't know how much more clear you can be, Mr. Chairman. If this particular member wants to campaign on that, I say: go at it. We're laying our budget in front of Albertans, we're passing it, and then we're going to probably have an election.

4:20

**Mr. Anderson:** All right. Well, I guess you did answer the question, that clearly tax hikes are not off the table. I'm glad I came today so that we know that. Tax hikes are not off the table.

You were castigating the member of the opposition there, the Member for Edmonton-Gold Bar, on how Liberal governments spend in Ontario, yet our spending in Alberta under your government is \$2,000 more per person than the McGuinty Liberals in Ontario. I wish I could say that that was the worst of it, but actually your spending is the highest in the country per person by far. You spend more than the NDP government in Manitoba, you spend more than the Liberals in Quebec, you spend more than the Liberals in Ontario and the Liberals in B.C., and you spend more, obviously, than the Saskatchewan Party in Saskatchewan, who have actually balanced their budget with no oil sands to do it with. I'm looking across the country, and I'm seeing all these Liberal governments spending like drunken sailors, yet the PC government here is spending more than any of those groups.

This goes back to what the minister said when he was away in Ontario recently. He was quoted in the *Globe and Mail* as saying, "Clearly we're spending too much." Now, I don't know. Was that out of context, or are you finally admitting that you are spending too much? If you are spending too much, in what areas are you spending too much? Where do you think that we can turn the taps down just a smidge so that we don't bankrupt ourselves?

**Mr. Liepert:** Mr. Chairman, this particular member trotted out all the statistics at the beginning of his remarks, but what he didn't mention was that we are the fastest growing province in the entire country. In fact, we're growing so much that we need schools. You know, I remember several occasions when that member stood in that chair and asked the Minister of Education when he's getting new schools in his fast growing community. We have a whole bunch of communities like his. He doesn't seem to recognize it – it's only about his community when we listen to him over in the corner there – but we're one of the fastest growing provinces in the country, so our costs are obviously going to go up. We have the highest paid in the country, Mr. Chairman,

whether they're nurses, teachers, bankers, or welders, so we, obviously, face higher costs.

Can we spend less? I think we can, and that's exactly what Bill 1 is going to do. As we go through over the next three years, we're going to see, in my view, a number of situations where we can do a lot better than we've done, and that's the process that we've committed to undertake.

**Mr. Anderson:** Yes, indeed, we are the fastest growing province in the country. That's why I used per capita, because per capita, for those at home wondering what that means, means per person. Necessarily, we take all the people that moved here, including all those new people that he's talking about, and we divide it by the total amount spent, and that gives you your per person amount. Again, the question I have is: why does the province of Alberta spend 20 per cent more per person – per person – taking into account all the growth, than the next-closest Liberal tax-and-spend government, being Ontario and Quebec? It doesn't add up. Why would you increase program spending by 7 per cent year over year when population plus inflation was almost half that amount?

There's a disconnect here. I know they love to think they're conservatives over there, yet everything they do and say is the opposite of that. Maybe "conservative" has lost its meaning. Maybe that's not what it means anymore, and I just missed the memo. Maybe it means: spend as much as you possibly can to buy as many votes as you possibly can as fast as you can before an election. Maybe that's what it means to be conservative in their minds over there.

I would like to know how a government that's spending the most money of any province in the country per person can honestly come into this House, plop down a 7 per cent year-over-year program spending increase, say that that is fiscally responsible to do, and then rely on \$108 oil and 40 per cent increases over two years in resource revenues and a 24 per cent increase over two years in overall revenues to balance their budget. How is it even rational, Minister, to come in here with a budget that says that?

**Mr. Liepert:** Well, Mr. Chairman, the member is incorrect. Our overall spending in this budget is 3.3 per cent higher than it was last year. That's 3.3 per cent, and that includes our capital plan, where we are going to try to build some schools for the particular member in his constituency.

You can't have it one way one year and say, "Well, you're spending more because it's all in capital" and the next year, when you manage to spread your capital out – they're the ones who have stood up in this House and said, "If we were the government" – and again that "if" word at the front of their question – "we'd cut back on capital spending." Well, that's exactly what we did in this particular budget. We didn't cut back; we stretched it out a little bit. As a result, Mr. Chairman, we have a 3.3 per cent increase over last year. That is less than growth plus inflation.

**The Acting Chair:** Hon. member, I would remind you that you have about one and a half minutes left.

**Mr. Anderson:** Okay. Well, then, really quickly, I was referring, of course, to program spending, which I said. It went up by about 7 per cent.

I'm glad that they stretched the capital budget a tad. That's good. It shows how much you can still get done with it if you're just willing to prioritize. [interjection] That's right. Maybe they can put the \$70,000 that they spent in Jasper towards something useful.

I would end off with a quick question here. The heritage fund is now worth less today, when adjusted for inflation, than it was in 1976, when Premier Lougheed established it. The sustainability fund, which was at a high of \$17 billion during 2008, is now according to this rosy-projection budget going to be roughly 3 and a half billion dollars at the end of this year. It seems to me that we have completely blown through another boom. In fact, we've blown through two booms now, and we have almost nothing to show for it for future generations. Now, in fact, we're talking about a possible tax increase.

I would just hope for whoever succeeds this minister, should the government be elected, for whatever Finance minister succeeds this minister, that he or she starts thinking about the future of our children and starts thinking about them more than themselves and their political fortunes.

**The Acting Chair:** Thank you, hon. member.

For the next 20 minutes we'll have a member of the fourth party, the NDP. Go ahead. Are you going to do the back and forth?

**Mr. Mason:** I think we can go back and forth with the minister.

**The Acting Chair:** Okay. Proceed.

**Mr. Mason:** If we can have an actual conversation rather than a sparring match, I would appreciate that. We will respectfully disagree and urge people to vote for us instead of you, but other than that, we can all be friends.

Mr. Chairman, I'd like to start by asking the minister what his projections are for wages. I'd like to know how much of the provincial budget is composed of wages, and I would include in that not just direct provincial employees but employees of Alberta Health Services, for example, of school boards, and so on, those employees where the provincial government is going to be left to pick up the tab, basically. That's the relevance to the budget. We have to negotiate an agreement with doctors and teachers and so on as well as health professionals as well as those members that are directly employed by the government. If the minister can just answer that to start, it would be great.

**Mr. Liepert:** I'm assuming, Mr. Chairman, we're talking only about public-sector or quasi-public-sector wages, that we're not talking about private-sector wages. Okay.

Well, I think there are a number of answers to that question. We have a budget in front of us. Whether it's Education, we're going to live within that budget. Whether it's health care, we're going to live within that budget. You know, there are always things that we have to adjust for. As an example, we just entered into binding arbitration with the health care workers late last week. Binding arbitration says that it's binding on both sides, so we're going to have to make those adjustments. I can't predict what those will be, but we know that we've got a contract with the UNA for the nurses; we know that we're into contract negotiations with the ATA for the teachers; we know that we're in discussions with the Alberta Medical Association relative to their contract. Beyond that everything is pretty much public knowledge as to where we're at. I think that there's a recognition in Alberta at the public-sector level that we are amongst the highest paid in most professions in the country and probably pretty fortunate for that.

4:30

I don't know that I can add any more than that, but I want to add two things if I could, Mr. Chairman, to earlier answers, and

that was to the Member for Edmonton-Gold Bar. He asked some questions around pensions.

**Mr. Mason:** What about my time?

**Mr. Liepert:** I'll use yours on somebody else.

That's an internal transfer of staff, member for Gold-Bar.

I want to answer the Member for Airdrie-Chestermere. He talks about: what are we leaving as the legacy for our children? We're leaving them with the most modern infrastructure in hospitals, in schools, in highways. That's what we're leaving for our children.

[Mr. Zwozdesky in the chair]

**The Deputy Chair:** Go ahead, hon. member. The hon. Member for Edmonton-Highlands-Norwood.

**Mr. Mason:** All right. Thanks very much, Mr. Chairman. Well, I want to come back to this question because I think that if the minister would give us some actual estimates, he would admit that his budget has included nothing for a settlement with doctors and about 1 per cent for teachers. I know that Alberta Health Services was expecting the health workers to take 2 per cent over a three-year contract. There was a lump-sum payment in there, and there was a COLA clause in the third year, but basically the only increase was 2 per cent. We didn't hear the actual percentage of the budget that is made up of salaries, but I would venture it's around 80 per cent. It usually is in most public-sector budgets, most organizational budgets for the public sector.

I'm wondering why the minister expects us to accept the cost projections for the government that they put forward in this budget when they have such unrealistic assumptions. I don't think the doctors are going to take no increase. You've already said that the binding arbitration with AUPE members that has been entered into by Alberta Health Services is binding, so they're going to get a settlement there. You're going to have to pay the bill; that's going to be more than 2 per cent over three years, I'm quite sure. And the teachers sure aren't going to take 1 per cent. That has not been the history. So I would challenge the minister to demonstrate that his cost projections in this budget are reasonable and accurate.

**Mr. Liepert:** I would challenge the member on a couple of fronts. Number one, our increase to Alberta Health Services, Mr. Chairman, is 6 per cent. There's certainly some leeway in there relative to salaries. Number two, the overall increase to Alberta Health and Wellness, I believe, in my recollection, is 7.9 per cent. There's some flexibility in there.

I'm not so sure that the member is correct when he says that teachers aren't going to take 1 per cent. I don't know that. That's a discussion that's under way, but we have just come off a very generous contract, as it turned out, with Alberta teachers, and I think they'll admit that. They've been well treated in the last five years. I know there are some discussions under way there. The Minister of Education's budget I think is in the range of – I can't recall off the top – 3 or 4 per cent, so there's some flexibility there.

What I do know is that we committed in our budget to meeting the 4 per cent increase that we gave to Alberta Union of Provincial Employees for the government of Alberta because I think this will be the first time in three years that they'll receive an increase in pay.

So I think we've been very realistic in our budget projections. We're not going to throw budget numbers out there that allow for large increases because I think, realistically, Albertans recognize we're in a very good position right now in Alberta. In fact, the

number one comment that I heard after delivery of the budget was not "What's in it for me?" but "We are lucky to be living in Alberta."

**Mr. Mason:** Well, we are, but that's not an answer to the question.

Let me move on a little bit to nonrenewable resource royalties. Nonrenewable resource revenue is estimated at \$11 billion for 2012, a decrease of \$79 million. Bitumen royalties are estimated to increase by \$1.3 billion in 2012, but Crown land lease sales are expected to decrease by a similar amount. Revenue from nonrenewable resources "is forecast to increase an average of 19% over the next two years, reaching \$16 billion by 2014-15, the highest on record, due mainly to increasing bitumen royalties" according to the fiscal plan at page 52.

A study that was done by the Parkland Institute shows that since 1997 the oil sands have generated \$205.5 billion, of which the government collected \$19.1 billion in royalties and land sales. So it generated over \$200 billion, and our share was less than \$20 billion. The government's share of oil sands revenue over a longer period of time has averaged 8.1 per cent. My question is: does the government have a target for the share of the nonrenewable resource revenue that it aims to collect, particularly from the oil sands but also in general, and is the royalty program meeting those targets currently?

**Mr. Liepert:** I'd like to answer it this way. We have a fiscal framework in place relative to our royalty structure. I can take some time and explain what it is, but I think the member knows what it is. There are two or three factors that come into play. Number one is reaching payout. I think the member knows what that means. We have ensured that in order to encourage an investment – and we can philosophically disagree in this Assembly relative to how much we should tax and gouge industry. I know that's what that particular member would like to do, but we don't philosophically on this side of the House believe in that approach, Mr. Chairman. What we do believe in is creating an investment climate so that money will come to Alberta. It's been coming in droves. I think the last number I saw was \$70 billion in 2010.

We create the environment where the investment comes. We have a royalty structure that does not penalize industry until they reach their capital payout, and then a higher royalty system kicks in. One of the things that is leading to those higher revenue projections in year 3 is that a number of these projects are reaching payout earlier than had been anticipated primarily because of the price of oil.

So it's not so much a target; it's that we have a regime in place. It would be hard even for that member to argue that it's not working.

**Mr. Mason:** It's working for the companies just fine, Mr. Chairman.

I did want to ask about the postpayout stage. One of the reasons that the government has given for the projected increase in bitumen royalties is that a number of oil sands projects will be reaching that postpayout stage. The prepayment royalties are 1 to 9 per cent of gross revenue, and the postpayout is the greater of 1 to 9 per cent of gross revenue or 25 per cent to 40 per cent of next revenue. That's from the fiscal plan as well. The question is: since the postpayout royalty rate will be an increasingly important part of government revenues, does the government have targets for the share of revenue it expects to collect from postpayout projects? Are we meeting those targets, and if not, will the government adjust royalty rates?

4:40

**Mr. Liepert:** Well, there's an easy answer to that last question. The answer is no. We have a system in place that the member says is working just fine for companies. You're darn right it is, and we don't apologize for that. That's why companies invest. That's why this province is doing so well. It's also working very well for Albertans.

You know, we could follow the philosophical belief of this particular member and have absolutely no investment in this province. We believe that what's happening in Alberta today – Alberta is seen as a beacon in the world, and this member would go in there and beat it up and chase everybody away. Then where would we be?

**Mr. Denis:** Socialism.

**Mr. Liepert:** That's right. Socialism. But that's not what we strive for, Mr. Chairman. What we strive for is to create an investment climate where companies will come here and invest, and the returns are obvious.

I know that the member is on our estimates, but in some of these instances there's a fine line between the energy projections that come to us. There is some difficulty in being specific for some of his answers because I know it's in the Finance projections, but we effectively take our projections from the Department of Energy.

**The Deputy Chair:** Hon. member, we have about seven minutes left.

**Mr. Mason:** Thanks very much, Mr. Chair. It's beyond me how the projections from Energy, which are quite specific, in specific questions engender an anti-socialist rant from the minister when it was a clear question.

Since the postpayout royalty rate will be an increasingly important part of government revenues, does the government have targets for the share of revenue it expects to collect from postpayout projects, and are we expected to meet those? I'm repeating the question. It's actually a fairly capitalistic-style question, so maybe the minister could just give us a straight-up answer.

Thank you.

**Mr. Liepert:** Well, I did give a straight-up answer. In a capitalistic way we set a royalty structure. The investor takes a look at that royalty structure and says: "Yes. That's a regime I can invest in." The projections are based on our royalty projections. I don't know how I can be any more specific, other than it's built into our royalty structure.

**The Deputy Chair:** The hon. member.

**Mr. Mason:** Thanks very much, Mr. Chair. What I'm really trying to get at here is: is the government's budget estimating costs accurately, and is it projecting revenues as accurately as possible? So far I'm not given comfort by the real lack of specificity in the minister's answers.

Now, this one will really get him going, Mr. Chairman. This one's going to get him going because I'm going to ask about corporate taxes. There are two provinces, according to the fiscal plan – well, let me go back a little bit because the fiscal plan talks about the government's aim to reduce reliance on nonrenewable resource revenue to fund programs. We agree with that. I think it's about 30 per cent of program spending that is now funded from nonrenewable resource spending, and that's, I think, considered by

many, including the Premier's own economic council report a few months ago, as too high and not really sustainable.

I think the minister is getting at that when he talks about the review of the fiscal framework. So there are two approaches. There's the scenario preferred by the Wildrose, which is to cut program spending with no change to the taxes at all, assuming that the tax structure is perfectly fair as it now stands. That's their position. On the other hand, we would want to look at whether or not the tax structure as it now exists is fair before determining whether or not we have a spending problem or a revenue problem. One of the things that we could look at, I guess, is the general rate on corporate income tax.

Now, I was there as a brand new MLA at an Edmonton Chamber of Commerce luncheon when Steve West was the Finance minister and he announced plans to reduce the corporate tax from what was then 16 per cent down to – I think he set a target of about 8 per cent. We're now at 10, and there are only a couple of provinces that match that rate. Most provinces range from 12 to 16 per cent.

Given that the absence of a sales tax already gives Alberta a significant tax advantage, is it reasonable – well, I won't ask if you think it's reasonable. Has the government given any thought whatsoever to reviewing the general tax on corporate income tax so that we would remain competitive with other provinces? We believe Alberta should be competitive, Mr. Minister. We don't want to run the economy into the ground. But on the other hand, we also want to make sure that the tax structure is fair and the government has the revenue it needs in order to support program spending without getting into the kind of cuts that would be inevitable in the Wildrose scenario. If you have an answer, that would be great.

**The Deputy Chair:** Hon. minister, about two minutes on the clock.

**Mr. Liepert:** Mr. Chairman, I have a great answer, and that is: neither one of those scenarios is reasonable, and that's why they are sitting over there. The member does a great job as the MLA for Edmonton-Highlands-Norwood, by the way, but that's why there are just two of them over there, and that's why there were just four before and two before that. He talked about when he was first elected and his opposition to the flat tax. You know, all I can say is that we have a tax regime in this province which has served us well. We are, as I said earlier, the beacon when you look worldwide as to regimes that are doing well in this economy.

That being said, we have committed – and I'll repeat it I think for probably the eighth time here this afternoon – that we are going to do a review. We are going to consult with Albertans. We are not going to take some philosophical view that that member has or a philosophical view that somebody else has. We're going to talk to Albertans, and we're going to work with Albertans to develop the right fiscal framework for this province. That may include changes here or changes there. I don't know. That's the discussion we're going to have with Albertans. That's the best answer I can give that member right now.

**The Deputy Chair:** Thank you.

Hon. member, 30 seconds.

**Mr. Mason:** Thank you very much, Mr. Chair. The minister may be surprised at how many of them and of us are sitting over here or over there after the next election.

I do want to thank him for that evasive answer, which confirms in my mind the conclusion that the government has no intent to bring about a fair tax system and will instead cut programs after

the next election. I think that's what's most likely to come down the road.

Thank you, Mr. Chair.

**The Deputy Chair:** Thank you, hon. members. We will proceed to the next section.

Hon. Member for Calgary-Currie, you have 20 minutes in conjunction with the minister.

**Mr. Taylor:** Sure, and the minister and I will go back and forth as has been going on all afternoon.

Minister, what's on the table with this review that is coming after the election? When you have this province-wide, genuine conversation with Albertans about the fiscal framework, what are you going to talk about? Give me the full range of what's up for discussion.

**Mr. Liepert:** I don't know how I can be any more specific, Mr. Chairman. We have said that we need to do a review of our fiscal framework. We've been very clear that taxes are included in that. We've been very clear that we want to include our savings plans, the heritage fund, the sustainability fund. Is that the right way to save? Should we be saving more, saving less? Those are the kinds of discussions that we will have. There will be parameters developed and set up for this discussion with Albertans. I know the member won't be here, nor will I, but we'll be watching from the outside and maybe participating.

4:50

**Mr. Taylor:** We may well be. We will be watching from the outside, and we'll be watching with interest because I think there's a need – and it sounds as though you're moving in that direction – to put some pretty clear questions to Albertans that boil down to this. Now, there may be a whole bunch of subquestions in this, but it's basically: what do you expect from your government in the way of programs and services? How much of our nonrenewable resource revenues do you want to save for the future and in what fashion? How much are you willing to pay in taxes or other fees to cover the costs of what you expect from the government? If those numbers don't add up, if they don't come out equal on each side of the ledger, then what are you as the people of Alberta prepared to do about that to make up the difference?

I know this is a stretch because the minister is not going to be here when this conversation takes place. Can the minister commit on behalf of this government, if it gets re-elected, to making sure that all those areas of the conversation are in fact covered?

**Mr. Liepert:** As this member said, I can't commit to that. The way he framed it, I would say, is probably going to be very close to the questions that will be asked. The reason it is is because those were the same questions and discussions that the President of Treasury Board and I had with Albertans when we went out on this budget consultation. We have to recognize that this was a consultation about budget 2012-13. What we want to do is have a much broader conversation about the next decade or three or four decades. I would think that the member is very much on stream with what that framework should look like for the discussion.

**Mr. Taylor:** Absolutely. As the minister is well aware, we've been talking about what's going to happen for the next year or the next three years for far too many years now, and we've seen a lot of potential slip through our fingers as we've done that, as we've spent nonrenewable resource revenues. You only get that dollar once. When that barrel of oil or that gigajoule of gas is burned, you don't ever get it again. Once it's spent, it's gone.

We have not had a long-term generational plan going in this province. To throw the minister's own words back at him about Alberta being the beacon in the world, the planetary lighthouse . . .

**Mr. Liepert:** Name me somewhere better.

**Mr. Taylor:** We could have done better, and we need to do better going forward.

I mean, the budget says this right on page 66 of the fiscal plan.

Alberta is not immune to global risks, which remain elevated due to uncertainty around the Eurozone debt crisis. An escalation in the crisis could result in the global economy slowing further, and may strain the global financial system. Moreover, a slowdown in the emerging markets would undermine demand for commodities, putting downward pressure on oil prices.

Far be it for me to pour cold water on the fires of the beacon, Minister, but that's only in the short term.

In the long term we have – and the minister used to be the Energy minister; the minister has, I know, some awareness of this – some more fundamental issues that we're grappling with: the, I believe, unfair reputation that our bitumen has been allowed to get around the world. The fact that we are grossly outnumbered: if you put us together with all the other producing jurisdictions of the world, we're grossly outnumbered by consuming jurisdictions, which is great when we've got the product to sell and they need it, but at \$105 a barrel the consuming jurisdictions around the world and even in other parts of this country are starting to look really, really hard at alternatives to what we have to sell them. Not only are they doing that on price point, but they're doing that because of the awareness that climate change is a very, very real challenge and a very real threat going forward and that we have to lower our carbon footprint, the we being all of us around the world.

Again this is going to sound very doomful, but I don't know how else to put it. We run the very real risk of running out of customers for our oil and our gas and our bitumen and our coal and anything else that we have to sell in its raw form long before we run out of any of those resources. So it would seem to me that it's incumbent upon us to have a very adult conversation province-wide about how we are going to save and safeguard the money we make off those resources while we still have it coming in. Comment?

**Mr. Liepert:** Well, I'm not sure there was a question there, but I wouldn't mind commenting on the comments. A couple of things. I think I would disagree with the member relative to running out of customers before we run out of oil. Who knows when we're going to run out of customers, and it looks like we're going to have oil for hundreds of years. You know, I think the numbers that I've seen globally are that the development of renewables is only keeping up with growth, and the demand for oil continues to grow.

It's funny, Mr. Chairman. I'm glad I had the opportunity to serve as Energy minister because you can't go anywhere and get in a conversation as Finance minister without talking, basically, energy. That's just the way Alberta is. So I actually believe, hon. member, that I don't share the same view that you do relative to renewables.

Now, I think another area we need to have this discussion with Albertans is that we don't know where the price of oil is going, but there are those who will draw up the doomsday scenario of \$70 oil. My goodness, 10 years ago we would have thought that was a pretty good price. It could just as easily go to a hundred and fifty bucks a barrel as it could to \$70. In the event that does occur, we have to have some savings strategies in place, but I think we also have to have a strategy where we need to show the rest of

Canada that the country does well when Alberta and the west do well. How that could take form I don't know. That's a conversation, again, that I think will be good to have with Albertans.

The other comment I would make is that I really believe strongly – and I don't think the member and I would disagree on this – that we have to bring the heritage fund back so that Albertans feel like they have some attachment to the heritage fund. We all know in Calgary the development of Fish Creek park, the Kananaskis, Capital City park: all of those things people relate to the heritage fund. We've had two generations now almost pass in Alberta where we've had a lot of new people come into Alberta, and all the heritage fund has been, really, is just an investment fund out there. In my view, bring it back so that Albertans who have an attachment to that heritage fund can see that the savings that are accumulating to some degree are going into improving the quality of life in Alberta as well.

Those would be the comments I would make in response.

**Mr. Taylor:** I'll agree with the minister up to a point as long as he's not suggesting that we take the money that's in the heritage trust fund right now and spend it all on projects and programs and parks and feel-good initiatives that Albertans feel they could have a sense of ownership in without first developing a plan for how we're going to replace the money in the heritage fund that we're going to spend on any of those things and, quite frankly, how to grow the heritage fund to a much, much bigger level than it is now.

There are a thousand and one ways to skin a cat, right? Perhaps we're not going to put it all into the heritage fund. Perhaps we're going to develop a basket of different endowment funds that we want to invest in. I'm certainly open to that discussion.

One of the things that is really, really key here, it seems to me – and I'm very open to the idea that while we have this discussion about the future of the heritage savings trust fund, part of that discussion deals with what we are going to do with it that's in the public interest and has public value and something that the public can get a real sense of ownership of. We also need to commit to a savings and investment strategy and commit to it in a way that, frankly, locks future governments into doing at least as much of that saving.

I'm probably setting off some alarm bells there because the minister is probably thinking: "Well, hold on. Until such time as we get some magic amount of money into the heritage savings trust fund where we can use the income, then, from the heritage savings trust fund to replace the nonrenewable resource revenues that we spend on the province's day-to-day operations today, we've got to be mindful of the fact that we live in a boom-and-bust resource-based economy and times are not always so good that you can afford to be throwing huge chunks of money into the heritage fund."

We need a plan here. As oversimplified as this may sound, I think it's not a bad idea that we view this as a very large extension of a family budget.

Families need to meet the monthly expenses, including deregulated electricity bills. They need to set aside a little bit of money that they're just going to have fun with and go blow on a VLT or a bottle of Scotch or a movie or a hockey game or something like that. They need to also have a plan to pay down whatever debt they have, and they need a plan to save for the future: for junior's education, for mom and dad's retirement, that sort of thing. So it's not an either/or situation; it's both/and all the time. Again, a comment?

5:00

**The Deputy Chair:** Hon. minister, just before you comment, I need to extend a courtesy to the independent, the Member for

Vermilion-Lloydminster, just in case he wishes to address the budget estimates at the moment. We have about eight minutes left.

If not, then we'll continue on with the members that are engaged at the moment. Okay.

**Mr. Liepert:** Well, we could certainly carry on this debate for some time. I think one of the things that we have to remember is that we are a province in the country of Canada. We have seen in the past what happens when certain central Canadian-based federal political parties decide that they can use Alberta's wealth to generate votes in other parts of the country. I think those are all the kinds of discussions we have to have about how much you save, how much you invest. You know, we've done a very good job in the last half-dozen years in rebuilding our capital infrastructure.

I want to just make one point clear. When the member started his last set of comments, he inferred that somehow I was suggesting that we spend the heritage fund. That was not what I said, and I don't want to leave that impression. What I said was that I believe we need to look at going back to the original concept of the heritage fund, and that's different than what I heard the member say. That's the discussion we need to have with Albertans.

**Mr. Taylor:** That was exactly the clarification I was looking for. I wanted to make sure that I understood precisely what the minister meant when he said that, and now I feel that I do. Thank you very much for that.

The question, though – and I'll try not to dwell on this too long – is of Alberta's relationship vis-à-vis the rest of the country and vis-à-vis certain central Canadian political parties or movements who, you know, have evil designs on our heritage and our wealth and all the rest of that. The minister also commented just a couple of minutes ago that it's necessary to tell our story to the rest of Canada and get the rest of Canada to realize that when we do well, they do well. I want to caution the minister not to try and argue that one both ways. I mean, if when we do well, the rest of the nation does well, sir, then when we do well at saving and investing our money and putting it into infrastructure programs or research programs or whatever it is that benefits Albertans, there's a spillover effect to all of Canada. That's the story that we need to be telling, not just: this is our money, and you can't have any of it.

Maybe there's a real public relations job to be done there, but I would argue that in addition to just marketing and communication of the message, there's also some real doing that has to accompany the talking. In fact, maybe the doing is more important than the talking. Maybe leading by example is more important than just saying: aren't we a wonderful bunch of cowboys out here in the west; you know, we have all your best interests at heart. Let's show that.

In this budget I'd like to see more commitment to such things as greening our energy, whether that's in terms of research into renewables or whether that's in terms of the research that we do, that we don't always talk about to the fullest extent that we should, that we should probably be doing more of as well to make sure that we get bitumen to the point that it is the cleanest oil in the world. It means things like looking very seriously – and I know these are conversations I should maybe more appropriately be having when we debate the estimates of the Energy department than the Finance department, but there's a crossover there. There's a crossover. We maybe need to be having some very serious conversations about getting off coal and onto natural gas or something else.



The thing that drives me – it's not just that I want to go out and hug a big old tree. Okay? I do like hugging trees as long as the bark is not too rough and the sap isn't coming out and making you too sticky. There's nothing wrong with hugging a tree, but I like there to be a practical purpose to this as well. It comes down to this. When I see the work that other consuming jurisdictions are doing to try and figure out how to build those batteries that will store wind power and solar power, when I see them trying to figure out how to build a transportation fleet that will run on some alternative to fossil fuels, when I see them trying to put distributed electricity generation to the fullest work, when I see them talking about these things and see the opportunity for innovation and research and development and so on and so forth, and I see that it's happening in other jurisdictions and not here, I wonder whether we're just too smug that the money is coming in.

The way we're doing it is that we punch a hole in the ground, we scoop a bunch of dirt out, we run it through the upgrader, we get the oil apart from the sands, we refine it, maybe, or maybe we just put it into the pipeline as crude, we sell it, and we make the money. Life is good. Ain't it sweet? The future is so bright that I need to wear shades. Someday we're going to wake up and discover that the rest of the world has passed us by.

These are the sorts of things that I don't see. Should this government get re-elected, I would urge this government to put on the table in the big conversation with Albertans later this year or next year these things that I don't see in this budget. I don't see a commitment to covering all of our bases.

**Mr. Liepert:** I need to get in before the bell goes here. Oh, my God. How wrong that member has to be. Two billion dollars for carbon capture and storage, \$2 billion for GreenTRIP, an announcement by our Minister of Environment and Water relative to monitoring the oil sands, bioenergy credits was on the front page of the *Journal* two days ago: I mean, I could go on and on and on. I don't know what world this member has been living in when he makes these comments. No jurisdiction on a per capita basis has committed what we have committed in this government to ensuring that we have not only talked but that we walk the walk when it comes to renewable, when it comes to clean energy, Mr. Chairman.

**The Deputy Chair:** Thank you.

Hon. member, there are about 45 seconds left.

**Mr. Taylor:** Then I will finish simply by saying that – and I will get in the last word – perhaps we can continue this conversation postelection over a beer, sir. I look forward to seeing the fruits of your labour. I haven't seen them yet.

Thank you.

**The Deputy Chair:** Thank you.

No one else at this point? Then we can conclude this section.

I have a government member listed to speak next. I don't see that member in the Chamber, so I'd be happy to recognize the hon. Member for Edmonton-Gold Bar.

**Mr. MacDonald:** Thank you very much.

**Mr. Liepert:** I'll try and do a little better this time.

**Mr. MacDonald:** I hope you can do a little better. You've had a little bit of time, and you've got three experts there to provide you with notes.

Now, we have been listening with interest to other members and their questions and to the hon. minister's responses. There have

been good questions on revenue. I also have some additional questions at this time, Mr. Chairman. Page 8 of the fiscal plan states:

The funding and investments in Budget 2012 are directed at growing the economy to support a sustainable future. Going forward we will examine, in consultation with Albertans, our revenue sources and how the revenue is used so that Alberta can reduce its dependence on volatile revenues associated with energy.

We will develop a fiscal framework that contributes to building a predictable, sustainable revenue base.

My question at this time goes like this. How many reviews are really necessary? This statement in one form or another has been in every budget document since the hon. Member for Fort Saskatchewan-Vegreville took over in the Premier's office. This is a delaying tactic. Nothing ever changes. How is this statement or this review any different than previous claims that have been made by this government?

5:10

**Mr. Liepert:** Well, I will give this member the same answer I gave the Member for Calgary-Currie. He and I will be on the outside looking in, and I say: stay tuned. We have a new Premier who has committed to this, Mr. Chairman. You can drag up all of the old reviews that you might want to drag up but, in my view, there has never been anything anywhere near as comprehensive as what is being proposed in the next year.

**The Deputy Chair:** The hon. member.

**Mr. MacDonald:** Yes. I'm not saying getaway cars shouldn't have rear-view mirrors, but the one you're in obviously doesn't.

Now, further to this, on page 15:

By 2014-15, it is projected that about two-thirds of current non-renewable resource revenues will be needed to fund current expenditures. The remaining one-third, or more than \$5 billion, will be either saved or invested for the province's future needs.

Since this problem is explicitly stated throughout the budget, why are real commitments to action not being made now?

**Mr. Liepert:** Unlike some members across the way we want to have the discussion with Albertans. We listen to Albertans, and we will act based on what we hear from Albertans. For us to prejudge what Albertans want us to do I think would be inappropriate. I will repeat it. I think this is now – I don't know – nine, 10, 11 times that I've said that.

**Mr. MacDonald:** Now, total revenue is estimated to be \$40.3 billion this year, which is a 4.6 per cent, or \$1.8 billion, increase from the previous year. Page 52 of the fiscal plan states an average 10 per cent growth for the next two years.

The five-year trend in percentage of total revenue from nonrenewable resource revenue is this, Mr. Chairman. In 2008-09 nonrenewable resource revenue was \$11.9 billion, which was 30 per cent of total government revenue. In 2009-10 nonrenewable resource revenue was \$6 billion, which was 18.6 per cent of total government revenue. In 2010-11 nonrenewable resource revenue was \$8.4 billion, which was 24 per cent of total government revenue. In 2011-12 the forecast for nonrenewable resource revenue was \$11.3 billion, which was 29 per cent of total government revenue. The 2012-13 estimate for nonrenewable resource revenue is \$11.1 billion, which is, again, 28 per cent of total government revenue.

These are the stark examples, Mr. Chairman, of the danger of relying so heavily on resource revenue for core program spending. What is also interesting to note is that the only year in which

reliance on nonrenewable resource revenue fell below 20 per cent was the year following the recession. My question is: has the ministry developed a target percentage for reliance on natural resource revenue? If so, can you explain how this target was developed, and if not, why not?

**Mr. Liepert:** Well, Mr. Chairman, I have to repeat that that is exactly what we are going to be undertaking in the next year, and I would encourage the member as a private citizen to be involved.

**The Deputy Chair:** Thank you.

**Mr. MacDonald:** Now, earlier we heard questions about corporate income tax. Before I get to that, in the economic outlook on page 72 there are a lot of interesting charts which are contrary to the optimism that's displayed by the hon. minister in the government's projections. There is a chart which is titled *With So Much Uncertainty, Businesses Are Hoarding Cash* – and you can't blame them for doing that – *Cash Reserves of Non-financial Corporations*. It is a Canada and U.S. comparison chart. If we were to go back to 2007, we can see that there has been quite an interest among Canadian corporations to stash some cash for some troubling economic times or some rough financial waters. This is for Canada. Could the minister or his officials give us a breakdown? Does the same apply for corporations that are doing business in this province? Are they setting aside a modest amount of cash in case there is further economic uncertainty?

**Mr. Liepert:** Well, I'm not sure that I can answer that question. What I would suggest is that we'll take that away and respond to the member in writing.

**Mr. MacDonald:** I can appreciate that.

Now, page 52 of the fiscal plan shows that corporate income tax revenue for 2012-13 is estimated to be \$4.4 billion, which is \$461 million, or 11 per cent, more than was collected last year. The government is projecting that corporate income tax revenue will increase to \$5.6 billion by 2014-15. Is this increase in corporate income tax from more businesses investing in Alberta or from current businesses becoming more profitable?

**Mr. Liepert:** Mr. Chairman, it would be kind of a combination of all of those. As I said earlier, you have to remember that we've got a changing situation in the oil sands, where a number of companies are reaching payout. That probably would impact their corporate tax position. We also know the growth in this province, so you're going to have some new corporations that are going to be paying corporate tax. I think the right answer is that it's a combination of both of what the hon. member had alluded to.

**The Deputy Chair:** The hon. member.

**Mr. MacDonald:** Thank you. Now, also, on page 52 of the fiscal plan it is reported that personal income tax revenue for 2012-13 will be about \$9.3 billion. This is a 9 per cent increase, or an increase of \$793 million, from the previous year. Where does the majority of personal income tax growth come from? Is it higher wages? Is it more people involved in the workforce? Is this growth in income seen equitably across the income tax brackets, or is this growth from higher wage earners?

**Mr. Liepert:** Again, Mr. Chairman, it's a combination of all of those things. I mean, our population is growing. Workers are coming into this province and paying income tax. Corporations are doing better. Thereby, employees are doing better and paying more income tax, those that are here. I think there's a number. I

need to find one particular number, and I'll respond to the member with that information here in a couple of minutes.

**Mr. MacDonald:** Okay. Now, another significant source of revenue has been bonuses in the sale of Crown leases. Pages 55 and 56 of the fiscal plan forecast \$3.3 billion in revenue from this source. This is a lot higher than was budgeted. Last year's revenue included a historic sale date on June 1, that brought in \$842 million in revenue in a single sale. Revenue from bonuses and sales of Crown leases is expected to fall to \$2 billion in 2012-13. Why was the budgeting for last year's sales totals from bonuses in the sale of Crown leases so inaccurate, what led to this drastic increase, and how does the government know that this year's revenue forecast will be any more accurate than the previous year's?

**Mr. Liepert:** Well, that's actually a very good question, Mr. Chairman, because we don't. Who could have predicted an \$840-million land sale? You couldn't have, and I couldn't have. You know, this is one of those situations where industry believes that the investment is worth it in the long term and makes those decisions. That's why it's called a land auction. We have to at the beginning of the year take our best judgment in consultation with industry as to what we think and what they think is going to happen over the next 12 months and make our projections accordingly.

5:20

If you look historically over our land sales, they move somewhere in the range from a low of under a billion dollars to the \$2 billion range. Then we've had two or three really good years. I'm told that the reason for these two or three good years is primarily around the new technology which is allowing horizontal drilling, allowing going back into existing fields. Shale gas has had a lot to do with that. Again, we use the Department of Energy's projections – and I'm going from some memory here – and we see a levelling off in those land sales to a point where the projections this year of about \$2 billion is closer to where we think, realistically, they will be.

I want to refer the hon. member to page 99 of the budget document. There's a chart in the upper right-hand corner which shows where personal income tax revenue comes from. Basically, the top 10 per cent of income earners pay 54 per cent of the income tax, and the bottom 50 per cent pay 3 per cent of the total income tax.

**The Deputy Chair:** Thank you.

The hon. member.

**Mr. MacDonald:** Yes. Now, sticking to the discussion on Crown leases and bonuses, has there been any consideration given to taking this total amount that's generated on an annual basis and dedicating it to savings; for instance, putting it immediately into the heritage savings trust fund?

**Mr. Liepert:** I would encourage this member as a private citizen to make that submission next year to the committee.

**Mr. MacDonald:** Now, since there's been this spike in land sales – and the minister alluded to the fact that horizontal drilling is one of the driving conditions or forces in this rather robust sale – since we've had the change in the royalty format and we see the spike in our land sales and we see some of the incentives that have come off in northeastern British Columbia, for instance, on natural gas drilling, has there been a study done to see how our royalty regimes and the various holidays we now have in place, when you

compare them to other jurisdictions, are reflective of the increased activity at the bimonthly land sales?

**Mr. Liepert:** Well, Mr. Chairman, we really are into the Department of Energy information here. I would only respond by saying that we don't need to study. Just watch what's going on out there. I mean, with the investment that's taking place, industry is speaking with their feet, so we don't need to go hire a bunch of people to do a bunch of studies. It's all there.

**The Deputy Chair:** Thank you.

The hon. Member for Edmonton-Gold Bar on the estimates of the Department of Finance.

**Mr. MacDonald:** Yes, and that's precisely where we are, Mr. Chairman. In fact, we're on page 110 of the ministry estimates, line 2. Why was there an increase in fiscal planning and economic analysis in the amount of \$248,000, or 4 per cent? Is this part of the initiative to review revenue streams?

**Mr. Liepert:** You know, the member referred to this earlier relative to the pensions. There are situations that develop where you might be transferring staff to do various projects. I think that if we're going to get into the tens of thousands of dollars in expenditures, I don't have that answer at my fingertips, Mr. Chairman.

**The Deputy Chair:** The hon. member.

**Mr. MacDonald:** Thank you. Now, the hon. Member for Airdrie-Chestermere asked some very good questions about the spending habits of this government. Certainly, the hon. Member for Calgary-Varsity over the years has asked a lot of very good questions also about the spending habits of this government. On page 21 of the fiscal plan operational spending is increasing by 6.9 per cent, or \$2.4 billion, this year.

Another example of the failure of this government to maintain its budgetary commitments comes from the fiscal plan for Budget 2010, page 11, which projected government spending to rise to \$39.7 billion by 2012-13. In reality, spending for 2012-13 is projected to be \$41.1 billion. That there's a provincial election looming is just a coincidence. Now, this means that since 2008-09, when expenses were \$36.7 billion, this government, this group of fiscal conservatives, has increased expenditures by \$4.4 billion, or 12 per cent, in four years. Perhaps instead of going to Jasper on some kind of taxpayer-funded retreat, you might have gone to the cinema in the Eaton Centre and watched the Margaret Thatcher movie. Perhaps that would have been a better use of your time, and we would have saved a lot of money. [interjection] This is a Liberal from Saskatchewan talking here. Wow. Mr. Chairman, they're distracting me again.

**The Deputy Chair:** It would be wonderful if this debate occurred through the chair, as is the custom and tradition here.

**Mr. MacDonald:** Yes. In comparison, revenues in 2008-09 were \$35.8 billion and are forecast to be \$40 billion in 2012-13. This is a \$4.5 billion, or 13 per cent, increase in revenue. Again to the minister: how will the minister sustain these spending increases if nonrenewable resource revenue doesn't increase as projected? What's the backup plan? How can these spending increases be maintained over the long term? Or after the provincial election will we see more unannounced changes like we did with Alberta Health Services immediately following the 2008 provincial election? We know what kind of a disaster that's turned out to be.

**The Deputy Chair:** Hon. minister, there's one minute left in this section.

**Mr. Liepert:** Mr. Chairman, I'm not going to fall for the trap. The member referred to fiscal conservatives. I consider myself a Progressive Conservative, and we will run as Progressive Conservatives in the next election. If we have significant growth needs that we need to address, we will address them. I will challenge that member every time he stands up in his spot in question period asking questions about why we're not spending money on this and why we're not spending money on that and why we're not spending money on that. I will remind him of this conversation today because you can't talk out of both sides of your mouth.

You know, these folks over here are very good at sucking and blowing at the same time, Mr. Chairman, because you have that member over there talking about fiscal conservatism, and then he wants schools in Airdrie. We've got this particular member, who now sees himself as a fiscal liberal.

**The Deputy Chair:** Thank you, hon. minister.

We are now at that unique stage where any member who wishes to may engage with the minister on the estimates for the Department of Finance. Anyone, typically, from the government side would go next.

If not, then we'll recognize the member who has not yet had a chance, the hon. Member for Calgary-Varsity.

**Mr. Anderson:** It goes to the Wildrose first. That's the rule.

**The Deputy Chair:** Was there a list that I didn't see?

**Mr. Chase:** I'm quite willing to have the hon. member . . .

**The Deputy Chair:** I'm sorry. The Member for Airdrie-Chestermere is correct. He is next on the list. My apologies. You'll be after that, Calgary-Varsity.

**Mr. Anderson:** I almost lost my opportunity to talk with this minister one last time. I mean, this could be it. I'm sure we'll, you know, grab a coffee one day, Minister. I'm sure you'll want that. Very clearly, it's something you'd want to do. If that doesn't happen, I want to make sure that we at least have one last opportunity to talk with this pillar of fiscal conservatism, the hon. minister and Member for Calgary-West.

Very interesting that this minister talks about progressivism. He may not know this because I think he might think in his mind that progressivism means progress, but in the political realm that's not what progressivism means. Progressivism means big government solutions, big spending solutions, to try to interfere in the lives of people, to try to be all things to all people and interfere in various ways. That's what progressivism is.

5:30

**The Deputy Chair:** Hon. member, if you could just get on with the estimates part of the debate so that we don't get relevance calls.

**Mr. Anderson:** Absolutely.

**The Deputy Chair:** Thank you.

**Mr. Anderson:** The fiscal policies of Barack Obama, for example, are progressive. He's a self-prescribed progressive. So it's very interesting to see how progressive this person wants to be who is in our Finance minister chair.

You know, he is always asking us: where could we find savings? So I'm going to ask the minister whether he honestly thinks that given the report – let's just take the environment report that your government was touting today, showing that the CO<sub>2</sub> from our oil sands projects in northern Alberta would not in any way, shape, or form contribute to any kind of substantial global warming even if you took it all out of the ground and burned it all, that it still would be just a fraction.

If that's the report, then surely the \$2 billion we're spending to pump CO<sub>2</sub> into the ground off a fraction of those projects – a fraction of them – you would think that this member would think that that might not be a very good use of taxpayers' money, especially when we are in deficit up to our eyeballs, almost \$17 billion by the end of this year in deficits over the last five years. Not only do we have that much deficit to deal with, but just think of the schools and all of the things he's talking about; you know, the schools, the roads, and all these important things that Albertans want.

Yet \$2 billion for carbon capture and storage: why, Minister? Why do we need to spend \$2 billion on something when the report that you're trumpeting right now says that CO<sub>2</sub> from the oil sands is simply not a problem, that CO<sub>2</sub> from Alberta sources of energy are simply not the problem? Why \$2 billion? Why should the taxpayers of Alberta have to pay for your little public relations stunt?

**Mr. Liepert:** Well, Mr. Chairman, I think appropriately that question should go when the Department of Energy is before the House. I would encourage the member to ask those questions when that particular set of estimates comes up. But I'll take the opportunity to talk a fair bit about carbon capture and storage. Since he raised it, we may as well have the discussion.

**The Deputy Chair:** Please tie it to your estimates.

**Mr. Liepert:** I'll try, but he raised the question. I'm answering his question, Mr. Chairman.

**The Deputy Chair:** I'm prepared to allow a little latitude on this, but I will remind the hon. Member for Airdrie-Chestermere of what I reminded the hon. Member for Edmonton-Gold Bar about.

**Mr. Liepert:** If you want, I'll justify why we've committed over a period of time to this particular program. It's part of the various estimates that are before the House. As you well recall, we had that discussion in this Assembly.

We have now commenced three separate projects around carbon capture and storage. If you travel anywhere around the world, they look at Alberta as the leader on this particular process, as a beacon when it comes to carbon capture and storage. That is only one part of what we're doing to ensure that we can stand up on the world stage anywhere and talk about what we're doing to clean up the environment.

You know, the member can refer to this particular study that comes out today, or there will be another one tomorrow, or there was probably one yesterday that said something different, but we have a plan. It's laid out clearly. We're going to stick to that plan when it comes to ensuring that we can prove on the world stage that we are doing everything possible to ensure that we walk the talk, Mr. Chairman.

**The Deputy Chair:** Thank you.

The hon. Member for Airdrie-Chestermere.

**Mr. Anderson:** Okay. Well, I guess we won't talk about places where we can save money in the Finance minister's budget because that's

apparently not in the purview of this questioning today. Enough said.

On page 8 of your fiscal plan it talks about your deficit. Where's the deficit number here? It's roughly \$800 million. There it is, \$886 million. That is your stated deficit. Then underneath, line 14, it says that "capital investment (not included in expense)" is \$2.2 billion. Then, of course, it goes on to show that the sustainability fund has fallen over \$3 billion. If you add the capital investment not included in it as an expense and your deficit number, it comes out to over \$3 billion.

This is a constant issue that we've been trying to point out to folks, and we're happy to see that finally the folks in the media picked up on what we call the true cash deficit: how much more money is flowing out of Alberta's coffers than is coming in in receipts? I just want to have the minister confirm for me that the true cash deficit, meaning the money that we're taking out versus the money we're taking in, is actually a deficit of well over \$3 billion and is not \$800 million. That's the actual cash deficit, not your accounting deficit, your cash deficit. Why isn't that number more clearly stated, the actual amount of money that's going out more than we're taking in?

**Mr. Liepert:** Well, again, the member is quite incorrect. What we have stated in our capital plan – we have two different segments of capital. One is government capital. If we were to build a road, for instance, that theoretically the government owns going forward, we amortize that out over I think it's 20 years. Those dollars are below the surplus deficit line, and the amortization is above the line. That's common practice when it comes to corporate accounting. This member may not be aware of that because I don't think he has ever sat in any kind of a corporate operation in his lifetime, Mr. Chairman. What we do account for, though, as dollars straight out the door are those that go out to municipalities, municipal sustainability money. If money goes out to Alberta Health Services, those are dollars that the government no longer holds, so those are above the surplus deficit line.

For this member to sort of somehow indicate that they're not properly stated is incorrect, and that will be justified through the Auditor General, Mr. Chairman.

**Mr. Anderson:** Well, I found that last comment a little bit rich coming from someone who has either worked in government or as a GR spokesperson his entire career. I actually have run a couple of businesses, successful ones, including one we're just starting up. I'd be glad to show him what a budget sheet actually looks like in the real world, where you have to make sure that the money that's going out is equal or greater than the amount coming in because if you don't, you go bankrupt. That's what bankruptcy is. Most people don't have a little surplus or a little nest egg saved away to deal with that type of eventuality. Maybe after he's actually been in a business for some point of time, he'll actually understand what that means rather than being on the government payroll his entire career.

With regard to his little figure on how they're accounting for the \$2.2 billion in infrastructure that's not included as an expense, I guess I would ask this question, then. By your logic, then, Minister, if we spent \$20 billion next year – let's just throw a number out there – on infrastructure, brand new infrastructure of bridges and roads and hospitals and new everything, \$20 billion of new infrastructure, wouldn't it be that we could do that and the budget deficit wouldn't go up 1 cent? In fact, I think we could actually spend a hundred billion dollars on infrastructure, and under your accounting the budget deficit would still be \$886 million because you wouldn't be counting that as an expense. So

why don't you do that? Why don't we get rid of this infrastructure deficit right away? We can blow through a hundred billion dollars in infrastructure spending and not add a nickel to our deficit number. That's the logic if we followed your logic on that.

5:40

The reason is pretty simple why that's absurd. It's because you actually do have to pay for this. When you're talking about provincial infrastructure, you can't sell a bridge. You can't sell a road. You can't sell a hospital. You can't do it. So those are not your typical assets. When you're a company, you buy an asset, you buy a piece of land, and it goes on your balance sheet. Great. You can sell that asset if you get into trouble, if you needed to sell it. Government can't do that. We don't have that ability. There's a small fraction of the assets where government has that ability.

I guess I would say, then, that if you know that you can't, unless you're intending to sell these bridges down the road, why on earth would you not tell the people of Alberta the true cash deficit, meaning the true amount of cost, more dollars being spent than are being taken in in a year, and just admit that the budget deficit this year on a cash-cash basis is over \$3 billion? If it isn't, why is over \$3 billion coming out of the sustainability fund this year if your deficit is only \$886 million? Can you explain that?

**Mr. Liepert:** This member is really quite incredible. He challenges international forecast prices for oil. International forecasters: he says that they're wrong. He challenges industry on their production numbers. He says that they're wrong. He challenges the Auditor General on our accounting procedures. He says that they're wrong. Man, this guy is brilliant. He is brilliant. All of these other people in the world are wrong. He's the only guy who knows, Mr. Chairman. I'm amazed. I'll sit down.

**The Deputy Chair:** Is there anyone who wishes to rise?

**Mr. Anderson:** It only took the member four years to figure that out. That's so good of you, hon. member, that you figured out that I can actually add. Maybe one day you'll be able to add, too.

The number on here says \$2.2 billion plus an \$886 million deficit. That equals an over \$3.1 billion cash deficit. Why is it so hard for you to admit that you're spending over \$3 billion more than you're taking in? If not, let's just simplify the question since you like simple questions. If it's not \$3 billion, why is the sustainability fund going down from \$7.4 billion to \$3.7 billion? Where is that money going? If the deficit is only \$886 million, why is the sustainability fund going down by 3 and a half billion dollars? Can you explain that?

**Mr. Liepert:** Nobody is hiding anything. It's all there. It's in the consolidated financials if he would read it, but it's not the deficit/surplus line. Why doesn't he go have a conversation with the Auditor General, then?

**Mr. Anderson:** It would warm my heart. It would be such a good gift from this minister if he would just say to the people of Alberta that there is over \$3 billion in cash deficit that we have this year as a province. Why won't he just say it? How is it so hard to admit? The sustainability fund is going down by 3 and a half billion dollars. That's where the cash is coming from. Why can't you say it, Minister? The \$3.1 billion: is that not the cash deficit?

**Mr. Liepert:** Because, Mr. Chairman, that's not what we talk about. I will leave it up to the member to go have the debate with the Auditor General on our accounting model. It's been confirmed by the Auditor General every year. The books are there to look at.

He can communicate how he wants. We'll communicate the right way, and then we'll see what happens.

**The Deputy Chair:** Thank you.

The hon. Member for Airdrie-Chestermere.

**Mr. Anderson:** All right. With regard to long-term savings can you share with us, Minister, given that the heritage fund when adjusted for inflation is now worth less than it was in 1976, why that is the case? Why has the policy of this government constantly been to drain money out of the – every cent of interest that is made in the heritage fund every year you take out and you spend it. Why for the last however many years has that been your policy, and will you ever change it?

**Mr. Liepert:** Well, I'll repeat again: that's the discussion that we should all have over the course of the next year relative to our fiscal framework. What do we spend on program delivery? What do we spend on capital? I would suggest, Mr. Chairman, that this province now has the most modern infrastructure, the most modern hospitals, schools, the best roads and highways of any jurisdiction in North America. That is a heritage for our future. If we want to change that fiscal framework, the opportunity will be there over the course of the next year.

**Mr. Anderson:** If the infrastructure is so good, Minister, then why are you spending 50 per cent more than the next closest jurisdiction on infrastructure? I mean, you can't have it both ways. Either you have an infrastructure deficit, or you don't have an infrastructure deficit. Everything you say is a contradiction. You can't say, "Oh, well, we've got this wonderful infrastructure to leave to our kids," and then in the next breath spend 50 per cent more than the next closest province on infrastructure, including tax-and-spend jurisdictions, Liberal jurisdictions like B.C., Ontario, and Quebec. You can't have it both ways. Either you're just wasting money because you've already made – you just said that we have a world-class infrastructure second to none in Canada, yet you're spending way more because you say that we have the biggest infrastructure deficit in all of Canada, or you don't.

Now, I happen to think that our infrastructure is good. I agree with you. It is second to none. There are places where we need more schools, and there are places where we need more seniors' care facilities and so forth, but by and large we have very good infrastructure here. That is why we have proposed in our plan, since we have this wonderful infrastructure, that we don't need to spend 50 per cent more than B.C., Ontario, and Quebec. We can actually spend just slightly more than B.C., Ontario, and Quebec average and actually maintain and build the new infrastructure we need while making sure that we have enough money left over at the end of the day to save some dollars.

So which one is it? Do we have an infrastructure deficit and need to spend 50 per cent more than the next closest province or not? Why did you feel the need to spend that money?

#### Chair's Ruling Relevance

**The Deputy Chair:** Hon. minister, I'm sorry. I have to interrupt again. You know, we're creeping into an area of discussion about the main budget motion, listening carefully to those previous comments from Airdrie-Chestermere. That might be appropriate at another time, but what we're trying to debate today is specifically the Ministry of Finance and the estimates as printed from page

110 forward in the main estimates book. That's, really, technically what we're here to discuss.

Out of tradition the chair has allowed some discussion on the three-year fiscal plans because that has been a long-standing unwritten tradition of the House. However, when we get into the specifics of ministries such as has been alluded to by various members, including the previous speaker, then I just want to take a moment and remind you that if we want to change the rules, we can certainly at some point look at doing that. But today the rules are the way they are, hon. member.

Now, Mr. Minister, there's about a minute and a half left. If you wish, I'll allow this one, but that will be the end of the discussion in terms of stuff that pertains to other specific ministries, not specifically the estimates of yours.

### Debate Continued

**Mr. Liepert:** Well, thank you, Mr. Chairman. I think that the way I would respond to this particular tirade is that we went out and talked to Albertans before we started to prepare this budget. As I said earlier, there were several things that Albertans said were their highest priorities. They were health, education, and ensuring that those who are vulnerable in society are looked after. Clearly, they also commended what we had done on infrastructure but gave us direction that there's still more to do.

Now, what we have done is that we have slightly throttled back on the infrastructure budget and spread it out in some cases over an extra year on some of the health projects, as an example, while the minister of health is undertaking a review to ensure that the project as proposed is going to meet the needs of that community.

I don't think we cut back on the schools in the member's constituency, but if he wants us to do that, we could do that. If he wants to go to the doors in Airdrie-Chestermere in the next election and say, "Our party is suggesting that we do not build any more new schools," I encourage him to go ahead and do that.

This government is committed to ensuring that we have the most modern infrastructure probably in North America. There's still work to be done, and we're going to continue to do it, Mr. Chairman.

**The Deputy Chair:** Thank you.

The hon. Member for Calgary-Varsity.

5:50

**Mr. Chase:** Thank you. I just want to begin by correcting some of the statements that the hon. Finance minister made. When he was Minister of Education, he should have been aware during his tenure that the average age of schools is 40-plus years. So when we talk about our admirable school infrastructure, that's a false discussion.

In terms of acute-care bed infrastructure we have approximately 800 seniors questionably benefiting from a thousand-plus dollars a day in those beds.

Maybe I'll state my premise, and if I'm wrong in my premise – is the Finance ministry not responsible for doling out all the dollars to the other ministries?

### Chair's Ruling Relevance

**The Deputy Chair:** Hon. member, they certainly work with the Treasury department. I'll have someone from government comment if they wish, but please don't misunderstand here. We do have a big-picture, main-budget motion, which you will have an opportunity to discuss, debate, question, and so on. But today, as with previous

days, we're going department by department. There is a department and a ministry specifically called Finance, as enunciated on page 110 and going forward in this big, thick book, and that's what we're technically supposed to be debating here. I have allowed some discussion on fiscal plans, as I indicated earlier, because out of heritage and tradition and respect for this House that has been allowed in the past. I didn't mind a little bit of that. But when you're getting into specific ministries, there are other ministry estimates coming, there's question period, and there are other sources for you to tap.

Proceed.

### Debate Continued

**Mr. Chase:** Okay. I appreciate that clarification, and I'll try and use a .22 approach as opposed to a shotgun approach.

There is a very definite difference in this particular budget, which allows voters to delineate where the various parties stand. The Wildrose has asked this government to commit that there will be no tax increases over the next four years because they say that if we have a Wildrose government, they commit to no tax increases.

Now, this minister has accused the members on this side of the House of sucking and blowing, but to use the language of the street, the Pollyanna budget that this minister has tabled sucks because it projects such a favourable image going forward that everything is going to be solved because of the global market set prices for nonrenewable resources. The hon. Member for Edmonton-Gold Bar asked a very important question, and that is: what if this plan doesn't take place? What is the fallback position? Now, the hon. Minister of Finance didn't provide an answer for that. [interjections] I'm not sure if he's hearing my question. I realize it's at the end of the three hours and people are getting restless. I appreciate that.

**An Hon. Member:** Is there a question?

**Mr. Chase:** Yeah. The question is the difference in the rosy picture. The Liberals are not painting a rosy picture. We're saying that for 90 per cent of Albertans we'll stay with the current flat-tax rate. But we're saying that in order to have sustainable funding going into the future, we have to have a tax increase of 2 per cent for those earning over \$100,000. We have to have a tax increase of 5 per cent for those earning between \$150,000 and \$250,000, and for those over \$250,000 the Liberals are saying that for a sustainable economy we would raise theirs by 7 per cent.

Now we have the Wildrose saying: no increases. We have the Conservative government saying: well, we're not going to talk about any increases in taxes prior to the election. Then we have a very definite Liberal platform. So, for the electorate that gives a very clear choice of A, B, or C.

Back to the question from Edmonton-Gold Bar that the hon. member did not answer, and that is: Mr. Minister, if these rosy global projections of nonrenewable resource revenue do not pan out, how are you going to finance this province going forward over the next year or years?

**The Deputy Chair:** Hon. minister, I know that there was a comment earlier about speculation, and you have about two and a half minutes to speculate back if you wish, but I wish you would tie it back to your estimates so that the chair stays in order.

**Mr. Liepert:** You know, I know that this particular member is wanting us to get into the what-if, just like the Member for Edmonton-Gold Bar and the Member for Airdrie-Chestermere. What-if? Well, what if the sky falls? We don't budget based on:

what if the sky falls? We budget based on the best information. That information comes from – I'll repeat it again because the member wasn't here when I laid out how we come up with these numbers. First of all – and it's in the book – there are international forecasters for the price of oil. We take the average price. It's in the book right there. They're projecting upwards of \$108 a barrel for oil. Today it's \$105.

**An Hon. Member:** A hundred and six.

**Mr. Liepert:** It closed at \$106, I'm told. You can call that rosy. You can call it pie-in-the-sky projections. I call it realistic, Mr. Chairman. We go based on international forecasters.

You know, the Member for Calgary-Varsity, when he retires, and the Member for Edmonton-Gold Bar, when he retires, and the Member for Airdrie-Chestermere, when he gets defeated in the next election, should all go out there and form an international forecasting company, and maybe they could compete with all of the people who actually get paid to know what they're talking about, Mr. Chairman.

To go on a little further, Member, then at year-end we sit down with industry, and we find out what their projected production levels are. You multiply one by the other, and you kind of come up with a number which is in the book. Then our professionals, who are sitting in the gallery, I'm sure, shaking their heads listening to this kind of interrogation – what they do on a daily basis has nothing to do with anything we've heard here today. Absolutely nothing. So those folks then take what we have in the book and project corporate and personal income taxes out of that. That's how we come up with our budget. Those are the best numbers we have here today. They are not pie in the sky. We don't pick them out of the air. As I said earlier, the President of the Treasury Board and myself don't go have a beer and say: well, what number are we going to plug in this year? No, we don't. You may think we do, but we don't.

Thank you, Mr. Chairman. I successfully wore out the clock.

**The Deputy Chair:** I hesitate to interrupt the hon. minister; however, pursuant to Government Motion 6, that was agreed to on February 8, 2012, the Committee of Supply shall now rise and report progress.

[Mr. Zwozdesky in the chair]

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

**Mr. Rogers:** Thank you, Mr. Speaker. The Committee of Supply has had under consideration resolutions for the Department of Finance relating to the 2012-2013 government estimates for the general revenue fund and lottery fund for the fiscal year ending March 31, 2013, reports progress, and requests leave to sit again.

**The Acting Speaker:** Thank you.

Does the Assembly concur in the progress report and in the request?

**Hon. Members:** Concur.

**The Acting Speaker:** That, then, is concurred with. Thank you. So ordered.

Well, hon. members, it's been a very invigorating afternoon of discussion and debate. I would invite the hon. Government House Leader now to do the honourable thing.

**Mr. Hancock:** Thank you, Mr. Speaker. I understood when you got up that you were seeing the clock at 6 o'clock and just assumed that you would be adjourning.

**The Acting Speaker:** Well, it looked close.

**Mr. Hancock:** I would now move that we adjourn until 1:30 tomorrow.

[Motion carried; the Assembly adjourned at 5:59 p.m. to Wednesday at 1:30 p.m.]









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