



Province of Alberta

The 28th Legislature  
First Session

# Alberta Hansard

Tuesday afternoon, March 12, 2013

Issue 34a

The Honourable Gene Zwozdesky, Speaker

## Legislative Assembly of Alberta The 28th Legislature

First Session

Zwozdesky, Hon. Gene, Edmonton-Mill Creek (PC), Speaker  
Rogers, George, Leduc-Beaumont (PC), Deputy Speaker and Chair of Committees  
Jablonski, Mary Anne, Red Deer-North (PC), Deputy Chair of Committees

Allen, Mike, Fort McMurray-Wood Buffalo (PC)  
Amery, Moe, Calgary-East (PC)  
Anderson, Rob, Airdrie (W),  
Official Opposition House Leader  
Anglin, Joe, Rimbey-Rocky Mountain House-Sundre (W)  
Barnes, Drew, Cypress-Medicine Hat (W)  
Bhardwaj, Naresh, Edmonton-Ellerslie (PC)  
Bhullar, Hon. Manmeet Singh, Calgary-Greenway (PC)  
Bikman, Gary, Cardston-Taber-Warner (W)  
Bilous, Deron, Edmonton-Beverly-Clareview (ND)  
Blakeman, Laurie, Edmonton-Centre (AL),  
Liberal Opposition House Leader  
Brown, Dr. Neil, QC, Calgary-Mackay-Nose Hill (PC)  
Calahasen, Pearl, Lesser Slave Lake (PC)  
Campbell, Hon. Robin, West Yellowhead (PC),  
Deputy Government House Leader  
Cao, Wayne C.N., Calgary-Fort (PC)  
Casey, Ron, Banff-Cochrane (PC)  
Cusanelli, Christine, Calgary-Currie (PC)  
Dallas, Hon. Cal, Red Deer-South (PC)  
DeLong, Alana, Calgary-Bow (PC)  
Denis, Hon. Jonathan, QC, Calgary-Acadia (PC),  
Deputy Government House Leader  
Donovan, Ian, Little Bow (W)  
Dorward, David C., Edmonton-Gold Bar (PC)  
Drysdale, Hon. Wayne, Grande Prairie-Wapiti (PC)  
Eggen, David, Edmonton-Calder (ND),  
New Democrat Opposition Whip  
Fawcett, Hon. Kyle, Calgary-Klein (PC)  
Fenske, Jacquie, Fort Saskatchewan-Vegreville (PC)  
Forsyth, Heather, Calgary-Fish Creek (W)  
Fox, Rodney M., Lacombe-Ponoka (W)  
Fraser, Rick, Calgary-South East (PC)  
Fritz, Yvonne, Calgary-Cross (PC)  
Goudreau, Hector G., Dunvegan-Central Peace-Notley (PC)  
Griffiths, Hon. Doug, Battle River-Wainwright (PC)  
Hale, Jason W., Strathmore-Brooks (W)  
Hancock, Hon. Dave, QC, Edmonton-Whitemud (PC),  
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Horne, Hon. Fred, Edmonton-Rutherford (PC)  
Horner, Hon. Doug, Spruce Grove-St. Albert (PC)  
Hughes, Hon. Ken, Calgary-West (PC)  
Jansen, Sandra, Calgary-North West (PC)  
Jeneroux, Matt, Edmonton-South West (PC)  
Johnson, Hon. Jeff, Athabasca-Sturgeon-Redwater (PC)  
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Kang, Darshan S., Calgary-McCall (AL),  
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Khan, Stephen, St. Albert (PC)  
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Lemke, Ken, Stony Plain (PC)  
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Luan, Jason, Calgary-Hawkwood (PC)  
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Mason, Brian, Edmonton-Highlands-Norwood (ND),  
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McAllister, Bruce, Chestermere-Rocky View (W),  
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McIver, Hon. Ric, Calgary-Hays (PC),  
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McQueen, Hon. Diana, Drayton Valley-Devon (PC)  
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Olesen, Cathy, Sherwood Park (PC)  
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Pastoor, Bridget Brennan, Lethbridge-East (PC)  
Pedersen, Blake, Medicine Hat (W)  
Quadri, Sohail, Edmonton-Mill Woods (PC)  
Quest, Dave, Strathcona-Sherwood Park (PC)  
Redford, Hon. Alison M., QC, Calgary-Elbow (PC),  
Premier  
Rodney, Hon. Dave, Calgary-Lougheed (PC)  
Rowe, Bruce, Olds-Didsbury-Three Hills (W)  
Sandhu, Peter, Edmonton-Manning (PC)  
Sarich, Janice, Edmonton-Decore (PC)  
Saskiw, Shayne, Lac La Biche-St. Paul-Two Hills (W),  
Official Opposition Deputy House Leader  
Scott, Hon. Donald, QC, Fort McMurray-Conklin (PC)  
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Leader of the Liberal Opposition  
Smith, Danielle, Highwood (W),  
Leader of the Official Opposition  
Starke, Hon. Dr. Richard, Vermilion-Lloydminster (PC)  
Stier, Pat, Livingstone-Macleod (W)  
Strankman, Rick, Drumheller-Stettler (W)  
Swann, Dr. David, Calgary-Mountain View (AL)  
Towle, Kerry, Innisfail-Sylvan Lake (W),  
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VanderBurg, Hon. George, Whitecourt-Ste. Anne (PC)  
Weadick, Hon. Greg, Lethbridge-West (PC)  
Webber, Len, Calgary-Foothills (PC)  
Wilson, Jeff, Calgary-Shaw (W)  
Woo-Paw, Hon. Teresa, Calgary-Northern Hills (PC)  
Xiao, David H., Edmonton-McClung (PC)  
Young, Steve, Edmonton-Riverview (PC),  
Government Whip

### Party standings:

Progressive Conservative: 61

Wildrose: 17

Alberta Liberal: 5

New Democrat: 4

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Greg Weadick	Associate Minister of Municipal Affairs
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**STANDING AND SPECIAL COMMITTEES OF THE LEGISLATIVE ASSEMBLY OF ALBERTA**

**Standing Committee on Alberta's Economic Future**

Chair: Mr. Amery  
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Bhardwaj	Olesen
Cao	Pastoor
Donovan	Quadri
Dorward	Rogers
Eggen	Rowe
Hehr	Sarich
Luan	Strankman
McDonald	Xiao

**Standing Committee on the Alberta Heritage Savings Trust Fund**

Chair: Mr. Khan  
Deputy Chair: Mrs. Jablonski

Anderson
Casey
Dorward
Eggen
Kubinec
Sandhu
Sherman

**Select Special Conflicts of Interest Act Review Committee**

Chair: Mr. Allen  
Deputy Chair: Mr. Luan

Blakeman	Notley
Dorward	Saskiw
Fenske	Wilson
Johnson, L.	Young
McDonald	

**Standing Committee on Families and Communities**

Chair: Mr. Quest  
Deputy Chair: Mrs. Forsyth

Brown	Jeneroux
Cusanelli	Leskiw
DeLong	Notley
Fraser	Pedersen
Fritz	Swann
Goudreau	Towle
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Jansen	Young

**Standing Committee on Legislative Offices**

Chair: Mr. Cao  
Deputy Chair: Mr. McDonald

Bikman	Leskiw
Blakeman	Quadri
Brown	Rogers
DeLong	Wilson
Eggen	

**Special Standing Committee on Members' Services**

Chair: Mr. Zwozdesky  
Deputy Chair: Mr. Rogers

Casey	Mason
Forsyth	McDonald
Fraser	Quest
Kennedy-Glans	Sherman
	Smith

**Standing Committee on Private Bills**

Chair: Mr. Xiao  
Deputy Chair: Ms L. Johnson

Barnes	Jablonski
Bhardwaj	Leskiw
Brown	Notley
Cusanelli	Olesen
DeLong	Rowe
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Fritz	Swann
Goudreau	Webber

**Standing Committee on Privileges and Elections, Standing Orders and Printing**

Chair: Ms Olesen  
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Calahasen	McAllister
Cao	Notley
Casey	Pedersen
Hehr	Rogers
Jansen	Sandhu
Kennedy-Glans	Saskiw
Kubinec	Towle
Luan	Young

**Standing Committee on Public Accounts**

Chair: Mr. Anderson  
Deputy Chair: Mr. Dorward

Allen	Hehr
Amery	Jeneroux
Anglin	Khan
Bilous	Pastoor
Donovan	Quadri
Fenske	Quest
Goudreau	Sarich
Hale	Stier

**Standing Committee on Resource Stewardship**

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Allen	Hale
Barnes	Johnson, L.
Bikman	Khan
Bilous	Kubinec
Blakeman	Lemke
Calahasen	Sandhu
Casey	Stier
Fenske	Webber

## Legislative Assembly of Alberta

1:30 p.m.

Tuesday, March 12, 2013

[The Speaker in the chair]

### Prayers

**The Speaker:** Let us pray. Dear Lord, may each day we serve shed light on our true purpose here, may each hour we toil be for the common good, and may each minute remind us that what we seek may well be found in others. Carpe diem. Seize the day, and enjoy the moment. Amen.

Please be seated.

### Statement by the Speaker

#### Election Anniversaries

**The Speaker:** Hon. members, just before we go on to Introduction of Guests, might I take a moment to congratulate several members who were elected either today or yesterday several years ago, depending on how the leap years went.

I want to recognize and congratulate the crowd of 1997: Edmonton-Centre, Calgary-Fort, Edmonton-Whitemud, and yours truly. I also want to congratulate and salute Calgary-Bow, Dunvegan-Central Peace-Notley, Spruce Grove-St. Albert, Edmonton-Castle Downs, Whitecourt-St. Anne, and yours truly, who are the crowd of March 12, 2001. Congratulations, members.

#### Introduction of Guests

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

**Mr. Hale:** Thank you, Mr. Speaker. It's my pleasure today to rise and introduce to you and through you to all members the finest musicians Brooks high school has to offer. The students, who are currently on a tour of the Assembly, are here today to learn about the legislative process and develop their skills as artists. Accompanying them today is their musical director, Brian Stone. Brian teaches music to elementary, middle, and high school students and is described simply as the best. Accompanying them also are chaperones Celina Everett, Karen Peters, Liana Nielsen, Harold Nielsen. I would ask that this Assembly join me in providing the traditional warm welcome.

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

**Mr. Egen:** Thank you, Mr. Speaker. I would like to introduce to you and through you to all members of the Assembly 11 visitors from l'école À la Découverte. It's a French-immersion school in Kensington. It's really a reflection of the wide world around us, including students from Algeria, Morocco, Senegal, Lebanon, Afghanistan, Somalia; a teacher, Mme Uwantege, from Rwanda; and a parent supervisor, Mme Zouyene, from Lebanon. If they could please stand and receive the warm welcome of the Assembly.

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

**Mr. Bhardwaj:** Thank you very much, Mr. Speaker. It's my pleasure to rise today and introduce to you and through you to all members of the Assembly 59 students from Ellerslie Campus school in my constituency of Edmonton-Ellerslie. The students have had the opportunity to tour this building and learn a bit about the history and are now getting to know the question period. These

students are joined today by their teacher, Mr. Blair Faulkner, and by Mrs. Marci Augustin. At this time I ask all of my guests to please rise and receive the traditional warm welcome of the Assembly.

**The Speaker:** The hon. Member for Lac La Biche-St. Paul-Two Hills.

**Mr. Saskiw:** Thank you, Mr. Speaker. It is my pleasure to introduce to you and through you to all members of the Assembly a very important person in my life in the Two Hills area, Michelle Henderson. Michelle is my older sister, and I won't say how much older. Mick has worked at the immigration centre in Vegreville since it was created. She and her husband, Stu, live on the farm with their two children, my nephew and niece, Andrew and Ava. We have a very close family, and Mick has always been there throughout my life. I'm sure all members can agree that the unconditional support we receive from our family makes our job here possible. I'd like to ask Michelle to rise and receive the traditional warm welcome of the Assembly.

**The Speaker:** The hon. Minister of Culture.

**Mrs. Klimchuk:** Merci, M. le Président. Il me fait plaisir de vous présenter aujourd'hui, à vous et à tous les membres de l'Assemblée, des leaders de la communauté francophone de l'Alberta qui ont participé au lever de drapeau ce matin dans la rotonde de la Législature dans le cadre des Rendez-vous de la Francophonie, une célébration pan-canadienne de la culture et de l'histoire francophone.

Le gouvernement de l'Alberta est très fier d'entretenir de bonnes relations avec la communauté francophone en s'assurant que les Albertains qui parlent français ont accès aux services et aux ressources dont ils ont besoin. Nous apprécions aussi tout le bon travail que fait la communauté en s'assurant qu'il y ait des collaborations solides et significatives entre le foyer, l'école, et la communauté.

Je demanderais à nos invités de bien vouloir se lever lorsque je les présente: de l'Association canadienne-française de l'Alberta, Mme Dolorèse Nolette et M. Denis Perreux, et de la Fédération des parents francophones de l'Alberta, Mme Claudine Lajoie et Mme Mireille Péloquin. Se joignant aussi à eux aujourd'hui pour cette occasion spéciale sont les membres de mon équipe au Secrétariat francophone: M. Denis Tardif, directeur général; Mme Cindie LeBlanc, directrice adjointe; Mme Kate Peters, agente de liaison communautaire à Calgary. Ces personnes sont tous assis dans la galerie du Président.

Merci à mes visiteurs francophones. Je leur demanderais de bien vouloir se lever pour recevoir l'accueil chaleureux de notre Assemblée.

Merci, M. le Président.

[Translation] Thank you, Mr. Speaker. It gives me great pleasure to rise today to introduce to you and through you to all members of the Assembly leaders from Alberta's francophone community who participated this morning in a flag-raising ceremony in the Legislature rotunda as part of Les Rendez-vous de la Francophonie, a national celebration of French culture and history.

The Alberta government is proud of its strong relations with the francophone community in making sure French-speaking Albertans have access to services and resources they need. We also appreciate the good work that they do in ensuring strong and meaningful collaborations between the home, the school, and the community.

I would ask our guests to stand as I introduce them: from the Association canadienne-française de l'Alberta, Dolorèse Nolette and Denis Perreux, and from the Federation of Francophone

Parents of Alberta, Claudine Lajoie and Mireille Péloquin. Also joining them on this special day are members of my staff at the Francophone Secretariat: Mr. Denis Tardif, executive director; Ms Cindie LeBlanc, assistant director; and Kate Peters, community liaison officer in Calgary.

These individuals are all seated in the Speaker's gallery today. I'd ask them to please rise and receive the warm welcome of this assembly.

Thank you, Mr. Speaker. [As submitted]

**The Speaker:** The Minister of Aboriginal Relations.

**Mr. Campbell:** Thank you, Mr. Speaker. I rise to introduce to you and through you to all members of the Assembly special guests here today from Alberta's Métis settlements who are seated in your gallery and the members' gallery. As many people know, Alberta is the only province with a designated land base for Métis people. There are eight Métis settlements in the province, and I'm proud to say that I've visited them all. Today our Premier signed a long-term arrangement with the Métis Settlements General Council that will set a new direction for the settlements to become self-sustaining communities over the next 10 years. This is a commitment we made in 2011 and is yet another commitment kept by the Premier and her government.

Mr. Speaker, I would like to welcome – they are seated in the Speaker's gallery – Randy Hardy, the president of the Métis Settlements General Council; Stan Delorme, chair of the Buffalo Lake Métis settlement; Gerald Cunningham, chair of the East Prairie Métis settlement; Archie Collins, chair of Elizabeth Métis settlement; Dave Lamouche, chair of Gift Lake Métis settlement; Floyd Thompson, chair of the Kikino Métis settlement; Alden Armstrong, chair of Paddle Prairie Métis settlement; and Ken Noskey, chair of the Peavine Métis settlement. Also with us in the members' gallery: Loretta Calliou, Métis Settlements General Council secretary; Robert L'Hirondelle, Métis Settlements General Council vice-president; Denise White, Métis Settlements General Council treasurer; Sherry Cunningham, vice-chair of Peavine settlement; and Derek Andrew, communications director for the Métis Settlements General Council. I would ask that you to give a warm welcome to all these people.

**The Speaker:** Thank you. While they're standing, why don't we greet Archie Collins with an extraspecial thumping; it's his birthday today. [applause]

The hon. Minister of Education.

**Mr. J. Johnson:** Yes, Mr. Speaker. I'd like to introduce to you and through you to the members of this Assembly two outstanding individuals from my constituency, the community of Boyle, and, I'm proud to say, good friends: Terry Mudryk-Harbarenko and her son Bryan Mudryk, a TSN sports anchor whom many of you would know from the show. Bryan is one of our constituency's favourite sons, and I have to be careful how I say that because one of the other TSN sports anchors, Jay Onrait, is also from Boyle and Athabasca.

**1:40**

Bryan was diagnosed with Hodgkin's lymphoma when he was only 18 years old. Fortunately, he was able to overcome this obstacle with the support of his family, friends, and staff at the Cross Cancer Institute. As a cancer survivor he has been showing tremendous strength by turning this hardship into a way of giving back to the community. While he now lives in Toronto, where he's a sports anchor for TSN, he returns to Boyle each summer, lending his personality and his fame and bringing all of his

celebrity buddies to the Bryan Mudryk Golf Classic, which both he and his mother organize. This year will be the 11th year and their million-dollar year in terms of raising money for the Cross. While he lends his fame, the real work is done by his mother, an incredible community volunteer. It's an honour to have them here, and I'd ask them to please rise and receive the traditional thanks of our Assembly.

**The Speaker:** Edmonton-Beverly-Clareview.

**Mr. Bilous:** Thank you, Mr. Speaker. Today I'm very pleased to introduce to you and through you to this Assembly my guests, who are representatives of Alberta's international development sector: Heather McPherson and Chris Chang-Yen Phillips from the Alberta Council for Global Cooperation. The Alberta Council for Global Cooperation engages in important international development abroad. Recently ACGC members got their funding cut by \$500,000, a 50 per cent reduction. This is a significant reduction from when Lougheed recognized the value of their work. They are here to ask for their money back. I would like to now ask Heather and Chris to stand and receive the traditional warm welcome of the Assembly.

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

**Mr. Dallas:** Thank you, Mr. Speaker. It's my great pleasure to introduce to you and through you the policy co-ordinator at the Red Deer Chamber of Commerce, Jonathan Seib. Jonathan recently joined the chamber team and has taken the lead on working with businesses in the Red Deer region to identify leading industry issues and policy concerns. He looks forward to working with government to create a better economic future for Alberta. This past couple of days Jonathan attended the Northwest Chamber Leaders Conference here in Edmonton, and he'll also be attending the Alberta Chambers of Commerce Political Action Day tomorrow. Jonathan is here today to observe the Legislature and members of the Assembly. I'd like to thank Jonathan for joining us today and ask him to please rise and receive the traditional warm welcome of the Assembly.

**The Speaker:** Chestermere-Rocky View.

**Mr. McAllister:** Mr. Speaker, thank you. So many distinguished guests here today. It's my pleasure to rise and add to it. I would like to introduce to you and through you to all members of the Assembly a group of students who are leaders in their student unions and also hold leadership positions with the Council of Alberta University Students, which, as you know, is also referred to as CAUS. They're having a busy week educating some of the members in here about some of the most important issues in postsecondary education, and we certainly appreciate their time.

I'd like them to rise as I call their names, beginning with Petros Kusmu, the CAUS vice-chair and University of Alberta Students' Union VP external; Raphael Jacob – he had to leave to do media – the CAUS chair and University of Calgary Students' Union VP external and, I should note, also a resident of the fabulous constituency of Chestermere-Rocky View; Colten Yamagishi, the University of Alberta Students' Union president; Hardave Birk, the University of Calgary Students' Union president; Andrew McIntyre, the University of Calgary Students' Union marketing manager; Armin Escher, the University of Lethbridge Students' Union president; Julia Adolf, the University of Lethbridge Students' Union VP academic; Adam Woods, the University of Alberta Students' Union VP external elect; Conner Brown, the

University of Calgary Students' Union VP external elect; and Duncan Wojtaszek, the CAUS executive director. Mr. Speaker, we all know these are not only leaders of tomorrow but leaders of today, and I'd love to ask all of my colleagues to join me in giving them the traditional warm welcome of this Assembly.

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

**Mr. Young:** Thank you, Mr. Speaker. This is Fraud Prevention Month, for which I will be doing a member's statement shortly. I am pleased to introduce to you and through you to all members of the Assembly friends and colleagues from the economic crime section, the auto theft unit along with fraud prevention partners here in Alberta. I'll ask them to stand as I announce their names. Seated in the Speaker's gallery we have superintendent Bob Hassel, Acting Inspector Keith Johnson, and Inspector Kevin Brezinski along with Staff Sergeant Dan Service. Seated in the members' gallery we have Detective Dave Hawthorne; Detective Patti Nichol; Detective James MacDonald; Detective Jon Coughlan; Constable Linda Davidson; Constable Nadine Swist; Constable Elvin Toy; Detective Bob Gauthier; Detective Bill Allen; Corporal Rob Harkin from the RCMP; Detective Peter Bagan; Constable Glenn Thursby; Deborah Zukiwski from admin support; Janine Czernick, who's an analyst; Wendy Mah from AMA; Scott Hood from Service Alberta; Val Taylor from Service Alberta; Ron Mycholuk from the Better Business Bureau; Marc Trudel from the Bank of Canada; and Anne Gray from corporate communications.

**The Speaker:** The hon. Associate Minister of Wellness.

**Mr. Rodney:** Thank you very much, Mr. Speaker. It is a pleasure to rise today to introduce three representatives of the Alberta Students' Executive Council. They met with our hon. Minister of Health earlier today, and they discussed issues facing students in the postsecondary system and, importantly, the role that the Alberta Students' Executive Council will play in the delivery of \$1.5 million in grants to students' associations across Alberta to support mental health programs for students here in Alberta. Joining us today are Al Dickison, Matthew Armstrong, and Justin McDonald. Our guests are seated in the members' gallery, and I would ask them to rise now to receive the warm welcome of this Assembly.

**The Speaker:** The hon. Minister of Infrastructure.

**Mr. Drysdale:** Thank you, Mr. Speaker. It's indeed a pleasure to introduce to you and through you to all members of this Assembly two constituents of mine who are here in the city this week for chamber business: Mr. Tab Pollock, chair of the Alberta chamber, and Mr. Dan Percy, CEO of the Grande Prairie chamber. These gentlemen are truly leaders of my community, and it was very nice chatting with Mr. Pollock and how supportive he was of the government's budget moving the province forward. I'd now ask them to please rise and receive the warm welcome of this Assembly.

### Members' Statements

**The Speaker:** The hon. Member for Dunvegan-Central Peace-Notley.

#### Les Rendez-vous de la Francophonie

**Mr. Goudreau:** Merci, M. le Président. Aujourd'hui je me lève à l'Assemblée pour souligner Les Rendez-vous de la Francophonie, une célébration annuelle pan-canadienne de la culture, de la langue, et du

patrimoine français, qui se déroule tout au long du mois de mars.

Le 1er mars les Albertains ont lancé les festivités avec des levers de drapeaux communautaires partout à travers la province. Et comme vous le savez, M. le Président, les Albertains ont également eu la chance de se joindre à vous, à notre hon. Première ministre et l'hon. ministre de la Culture pour une célébration toute spéciale ici à la Législature ce matin. Les festivités se poursuivront tout au long du mois de mars avec des rassemblements communautaires, des cabanes à sucre, des festivals, et l'ouverture d'une nouvelle exposition qui honore les archives et les histoires francophones spécifiques à l'Alberta. Le 20 mars les Canadiens se joindront à plus de 50 autres pays à travers le monde pour souligner la Journée internationale de la Francophonie.

La diversité culturelle de l'Alberta et son riche patrimoine continuent à enrichir notre province, la rendant plus forte et vibrante, et notre population francophone grandissante ne fait pas exception. Avec plus de 238,000 Albertains qui parlent français et plus de 390,000 Albertains d'origines françaises, Les Rendez-vous de la Francophonie nous offre une excellente occasion pour tous les Albertains de profiter et de célébrer nos communautés francophones.

M. le Président, je tiens à remercier les membres de cette Assemblée pour leur appui continu à cette merveilleuse célébration.

[Translation] Thank you, Mr. Speaker. I rise in the Assembly today to highlight the Rendez-vous de la Francophonie, an annual national celebration of French culture, language, and heritage held during the month of March.

On the first of this month Albertans started celebrating Les Rendez-vous de la Francophonie with community flag-raising ceremonies across the province. As you know, Mr. Speaker, Albertans had the great pleasure of joining you, the hon. Premier, and the hon. Minister of Culture in a celebration today right here at the Legislature. The festivities continue throughout the month with community gatherings, traditional sugar shacks, music, festivals, and the public opening of a new Provincial Archives of Alberta exhibit tomorrow which showcases all our uniquely Albertan francophone records and memories. On March 20 Canadians will join more than 50 other countries across the world in marking the Journée internationale de la Francophonie, International Francophonie Day.

This is the 15th anniversary of the Rendez-vous, and this year's theme celebrates the joie de vivre, or light-hearted enjoyment of life, that often characterizes our francophone communities. Joie de vivre is expressed through conversation, good times with family and friends, or a general appreciation for all of life's pleasures.

Alberta's cultural diversity and rich heritage continue to enrich our province, making it both strong and vibrant, and our province's growing francophone population is no exception. With more than 238,000 Albertans who speak French and over 390,000 Albertans of French descent, Les Rendez-vous de la Francophonie is a great opportunity for all Albertans to get out and experience and celebrate the irresistible energy and joie de vivre our francophone communities bring to the cultural fabric of our province.

Mr. Speaker, I thank members of this House for their continued support of this wonderful celebration. [As submitted]

### Oral Question Period

#### Provincial Fiscal Deficit

**Ms Smith:** Mr. Speaker, yesterday the Finance minister quoted an economist to try to justify the government's decision to send the province 20 years back with their back-in-debt budget. Let me

quote another economist, Jack Mintz. Now, while I don't agree with Professor Mintz on his advice to the government to bring in a sales tax, I do agree with him on this. He says that the government's \$17 billion borrowing plan is contrary to sound public policy because, and I quote: a jurisdiction with nonrenewable resource revenue should be saving rather than borrowing funds. Unquote. How does the Premier justify going so deeply into debt, contrary to this advice?

1:50

**Ms Redford:** Well, Mr. Speaker, we are saving. We have a fiscal management plan, that we introduced last week in the Legislature, that for the first time in 25 years is saving Alberta resource revenue. I will tell you that we are proud of that, and the reason we're doing it is because we listened to Albertans, who told us that saving was a priority in good times and in challenging times.

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

**Ms Smith:** Thank you, Mr. Speaker. I think the Premier missed the emphasis on the borrowing part. The \$17 billion in borrowing is what Dr. Mintz says we shouldn't be doing because he says that borrowing is a double-dip against future generations. This is because provinces with natural resources are already borrowing significant amounts from the future since they are selling off physical assets that would provide support to future generations. How can the Premier justify this double-barrelled borrowing from future generations?

**Mr. Horner:** Well, Mr. Speaker, it's interesting that the hon. member opposite wants to pick one piece of Dr. Mintz's suggestions and ignore the other pieces because in order for you to do the one piece that he's suggesting, you have to do the other piece, which is a sales tax, which this side of the House is saying no to. I would also point out that we're going to take some good advice from those in this province who are creating the economy and creating jobs, like the Alberta Chambers of Commerce: "It supports the provincial plan to leverage its solid credit rating to borrow at today's low interest rates in order to proactively build infrastructure to accommodate Alberta's growth." We're building Alberta while we're living within our means, and we're saving, which they aren't doing.

**Ms Smith:** There is another way, Mr. Speaker. They could balance the budget without raising taxes and without going into debt.

The Premier justifies huge borrowing, ignores the need to pay back the debt at all, and also ignores the effect of selling off nonrenewable natural resources to pay for day-to-day operations. When will the government begin to act responsibly and stop double-dipping into the future of our kids and grandkids?

**Mr. Horner:** You know, Mr. Speaker, this is coming from an opposition that presented – I guess they call it a budget. It's interesting, and I guess we should understand why they're having difficulty reading financial statements. In their budget there are no financial statements. There are no statements at all.

It does not serve the Alberta public to not build the schools, not build the hospitals, not build the roads that they're going to need for tomorrow's growth. Living within your means means that you make prudent, responsible choices, which is exactly what this Premier and this government have done.

**The Speaker:** Second main set of questions. The hon. Member for Airdrie.

**Mr. Anderson:** This Premier continues to claim that balancing

the budget without going into \$17 billion in debt will result in extreme and damaging cuts. This is puzzling because just prior to the 2012 election the Premier published a video stating, quote: we are not the party of deficit; it's entirely possible for us to continue to provide the quality of life that we as Albertans have without going into debt, and I am committed to that. Unquote. Premier, you summed up the Wildrose position perfectly there. Why do you now label as extremist those Albertans who do not support your new pro-debt position?

**Ms Redford:** Mr. Speaker, I find this incredibly ironic coming from a member who says that we shouldn't invest in infrastructure when this government is investing in four schools in his constituency. You know why we're doing that? Because infrastructure matters. We want to make sure that Albertans and families and kids understand that we're a government that is committed to building the future of this province in good times and in challenging times. The reason that we can talk about that with great clarity is because we have presented a very clear fiscal picture to Albertans, clearly setting out the choices that we have made in order to ensure that we continue to invest in future generations.

**Mr. Anderson:** We have a \$50 billion infrastructure plan. You should read it, Premier.

Premier, immediately prior to the last election you said on the campaign trail, "Alberta does not have debt, and we will not incur debt. That's fundamental to what Albertans are proud of, and we're committed to make sure that continues." Why would you promise Albertans during a campaign that you would not go back into debt, then break that promise, and then tell Albertans, including those whom you fooled into voting for you based on that promise, that they are backwards-looking extremists? Do you not see what that does to your credibility?

**Ms Redford:** I have not called any of those people who made the right decision on April 23 to vote for the future of this province backwards-looking individuals. I've called them, the opposition, backwards-looking individuals, Mr. Speaker.

**Mr. Anderson:** Given that you recently told a columnist that "for the people who decided to get involved in politics because they believed in a better future for Alberta . . . this is a budget that still keeps that dream alive . . . in a really big way," is the dream you are referring to that sweet one where Albertans wake up a day before the election knowing what they know now about your promises, or is it that nightmare where we realize we have to wait three more years before putting an end to this absolute disaster, or is it, Premier, that you are just sleepwalking and sharing the trip with the rest of us?

**Mr. Griffiths:** Mr. Speaker, this government has done exactly what Albertans are looking for in striking the right balance. We've balanced the budget with zero increase, but we haven't done it on the vulnerable. We've made very strategic priorities that ensure we can still invest in families and communities. The only people that are saying one thing and doing another are the opposition, who continually stand up and say, "Balance the budget," but in their very first maiden speeches they demanded \$1.5 billion in new spending for their constituencies alone.

#### Transition of Michener Centre Residents

**Mrs. Towle:** I'm fraught with worry going forward; we're caring for some extremely vulnerable people: powerful words made by



the Associate Minister of Services for Persons with Disabilities after announcing the closure of the Michener Centre, forcing 125 vulnerable and fragile Albertans to move out of their homes. With no guarantee of enough space and resources to appropriately house Michener PDD patients, the minister's comments leave Albertans with little confidence that this government can be trusted to keep them safe. The minister is clearly worried, so how can the Premier tell clients, families, and caregivers that they should not be worried, too?

**Mr. Oberle:** Mr. Speaker, the changes that we announced yesterday are part of an evolution in how we deliver care to disabled persons in our province, indeed in Canada and across North America. It's not something that started yesterday but something that's been going on for a long time and has been talked about in this House before.

We will ensure that there are places. Obviously, we're not going to turn people out on the street, as the hon. member would if she had the position, Mr. Speaker. We currently have the positions available. We will do individual planning that will involve the families and guardians of each of those people, and they will be placed in appropriate settings.

**Mrs. Towle:** Shame on you, Minister.

Given that there are 400 highly trained and specialized staff who have loved and cared for these clients of Michener and given that the minister has suggested this closure is about dollars, when will the Premier truly stand up for vulnerable Albertans and ensure that they continue to receive the much-needed and specialized support that is provided by these staff?

**Ms Redford:** Well, I think that the hon. member should probably decide if she's concerned about the clients in the centre, Mr. Speaker, or the staff in the centre. We're actually concerned about both. From our perspective, we know that community living is the most important way for people that are living with challenges and disabilities to live with dignity. It's important for us to continue to talk about this plan. That is fundamentally exactly what our minister did yesterday by taking the time, very importantly, to meet with families, to meet with community partners to ensure that there is a dignified transition that's going to allow for further expansion of community living, which is appropriate in Alberta.

**Mrs. Towle:** Communication is the key. Given that this is not the first time this government has left vulnerable Albertans at risk, displacing seniors in Carmangay on a whim, and given that this government put this closure under embargo through the budget, when will the Premier raise the bar on accountability and transparency by letting Albertans know when facilities in their communities are going to close and release the list of obvious closures happening?

**Mr. Oberle:** Mr. Speaker, the hon. member obviously doesn't know how such decisions are taken or announced. Obviously, I couldn't announce it before the budget because I have funding in the budget that requires that.

Mr. Speaker, this is part of a transformation of care that will allow us to offer a broader array of services to a broader array of persons with disabilities in this province, and that's the right thing to do, which is why we're doing it. I don't know who the hon. member is standing up for, but it's not persons with disabilities in our province.

**The Speaker:** The hon. Member for Edmonton-Meadowlark, leader of the Liberal opposition.

## 2:00 Seniors' Drug Coverage and Housing Programs

**Dr. Sherman:** Thank you. I'd like to talk about a moral debt and a regressive taxation. A former member from Calgary-West twice tried to ram through a seniors' drug policy, which essentially was a tax on the sick. The sicker you are, the more medications you need, the more you pay. It was good for low-income seniors but brutal for the rest, as you know, Mr. Speaker, because you put a stop to it. But this Premier wants to resurrect pharma-fail 3. Premier, how can you justify taxing the sick seniors? Why not just bring in fair progressive taxation to cover medication for all seniors?

**The Speaker:** The hon. Minister of Health.

**Mr. Horne:** Thank you very much, Mr. Speaker. Well, what is fair? Our view and the view, we believe, of most Albertans is to offer for the first time drug coverage to 20 per cent of this population who currently have no access. That involves a little more careful thought than simply proposing that we raise taxes to do it. It involves an appreciation of the fact that there are people in this province that are choosing between paying for drugs that they need and paying rent and paying for other expenses that support their ability to live independently in the community. That's what Albertans expect.

**Dr. Sherman:** Mr. Speaker, this minister wants to do it on the backs of 80 per cent of other grandmas and grandpas.

Mr. Speaker, given this PC government is cutting enhanced home care and rehab funding, forcing those who built our province into expensive private care clinics instead of helping them live their lives with dignity in their own homes, in their community, with their own partners, to the Premier: do you consider home care for our seniors just to be another crutch? Is that why you're taking it away, Premier?

**Ms Redford:** Mr. Speaker, it's been really interesting to travel across this province in the last two years and talk to a lot of Alberta seniors who are very happily living in their homes and want to keep living independent lives. That's one of the reasons that in this budget we brought in a seniors' property tax deferral program to ensure that people would be able to stay in their homes and not have to deal with some of these undue financial burdens.

But, Mr. Speaker, there are an awful lot of seniors out there – and I would imagine some of them might even support other parties – that actually believe that if there are people that can afford to make payments with respect to some of their care and support and in return also get choice with respect to the care that they might choose to have and where they want to live, that's also a reasonable policy position, and that's why we have both.

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

**Dr. Sherman:** Thank you, Mr. Speaker. Given that all evidence points out that seniors in private care clinics spend more time in bed, eat less, bathe less, have more falls, and get more bed ulcers and that, despite this, this PC government continues throwing our seniors and money into private care clinics, crossing their fingers, hoping standards are met, wages are fair, and there's enough staff on duty to care for them, again to the Premier: you promised to be open and accountable; why do you still refuse to tell Albertans the truth about staff ratios and pay in these private facilities?

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

**Ms Redford:** Thanks, Mr. Speaker. I'm really pleased to have the

opportunity to have this discussion with the hon. member because this is the second day in the House that he's stood up and cited reports and put forward figures and statistics as if they were actually real. I don't actually know why he keeps doing it if he doesn't actually have the evidence to support the allegations. There is absolutely no reason to believe that there are differences with respect to level of care. We do believe that people should have the choice. Many of the people in my constituency, many of the people that I've talked to across the province do want to have that choice, and it's part of our responsibility to ensure that they have it, which also lets us take care of other vulnerable Albertans.

**The Speaker:** The hon. leader of the New Democrat opposition, followed by Highwood.

### Provincial Budget

**Mr. Mason:** Thanks very much, Mr. Speaker. This PC government and its estranged siblings in the Wildrose Party have a couple of things in common. First, they are both proposing multibillion-dollar deficit budgets. They're the Deficit Twins. Second, they both refuse to reverse Ralph Klein's unjustified tax cuts for corporations and Alberta's wealthiest citizens. Will the Premier admit that by refusing to reverse the Klein tax cuts for wealthy Albertans and very profitable corporations, she has plunged Alberta back into debt and cut services to the most vulnerable Albertans?

**Ms Redford:** Well, Mr. Speaker, first of all, I think that the hon. member might actually want to take look at what the definition of a deficit is. If we actually look at the operational plan that we have in place in the operational budget, we see that there is a sustainability fund, which we will soon be renaming the contingency fund, which is made up of savings which will be used to ensure that we can support all of the services in this year's budget that are going to continue to allow us to build for the future.

**Mr. Mason:** Mr. Speaker, this Premier believes she can make reality change by changing the definitions of words. I recall reading a novel by George Orwell that pioneered that concept.

Given that this PC government will not stand up to the Wildrose and scrap Ralph Klein's tax cuts for the rich and powerful, does the Premier plan to reduce Alberta's dependence on volatile resource revenues to pay for badly needed programs, or is she planning to continue with deficits and cuts year after year?

**Mr. Horner:** You know what, Mr. Speaker? It's interesting that he put us in the same league as them. The difference is that we understand financial management and we understand the financial statements. We do understand the financial definitions, not one of which is in their alternative plan. Not one. The alternative to paying cash for everything is putting money aside in savings. We are legislating it. We are bringing in legislative savings, which they did not put in their platform. We're going to make sure that we build the pot for tomorrow so that we can remove ourselves from nonrenewable resource dependency.

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

**Mr. Mason:** Thank you very much, Mr. Speaker. Well, they both want debt and deficit, and they both want to cut programs. It's just a matter of emphasis.

Given that this PC government won't stand up – oh, that's my last question. [interjections] This one's good, too, Mr. Speaker.

Given that yesterday the Premier called the student temporary employment program a crutch, can she tell us how many more crutches she intends to kick out from under Alberta families to protect the tax cuts for the wealthy and the corporations?

**Ms Redford:** When this government was elected on April 23, the first piece of legislation that we brought in was results-based budgeting, and the reason we did that was to ensure that we were supporting programs that were actually achieving the outcomes that Albertans wanted to see, Mr. Speaker. As I said in this House yesterday, the STEP program, while very valuable at the time, was a program that was 39 years old. It was time for us to look to better ways to achieve the outcomes that we want to have in place to ensure that students can get gainful employment in their chosen profession and to ensure that we were supporting the not-for-profit sector. That is what the minister intends to do, and I'm looking forward to the discussions.

### Speaker's Ruling Referring to a Nonmember

**The Speaker:** Hon. leader of the New Democratic opposition, you referenced the name of a person three times. I let it go all three times, but as you know, it's not always appropriate to reference people who are not here to defend themselves. One day a Speaker may have to stand up and defend you, so let's be careful and mindful of that rule.

The hon. Member for Highwood. [interjections] The hon. Member for Highwood has the floor.

### Compensation for Pharmacy Services

**Ms Smith:** Mr. Speaker, there's a big health care problem brewing in Alberta, and this government is to blame for it. They are changing the way that pharmacies are paid for dispensing generic drugs, and what it has meant is that smaller, independent pharmacies will suffer dramatic revenue loss. Many, we are hearing, are going to be forced to close. It's more regulation and more intervention in the marketplace that is going to create a big hole in health care delivery right across the province. Doesn't the Premier see the danger of this?

**Mr. Horne:** Well, Mr. Speaker, what we announced in Budget 2013 was a reduction in the price that government will pay for generic drugs. This is consistent with similar changes that have been made across the country. The savings that accrue from this benefit not only government-sponsored drug programs; they benefit people who are part of private and employer-sponsored programs and people who pay out of pocket. It is a reasonable measure. It is well supported by transition funding that's been provided to pharmacists over the last four years, and it is in the best interest of long-term drug coverage for our population.

2:10

**Ms Smith:** Mr. Speaker, this is not a government spending issue. This government has changed the regulations three different times since last summer. Pharmacies need to be viable in order to continue serving their communities. Changing fees, eliminating price flexibility, and restricting revenue opportunities all contribute to a direct, real, and immediate threat to the survival of independent pharmacies. Doesn't the Health minister see that this is a problem?

**Mr. Horne:** Well, Mr. Speaker, the hon. member doesn't present a very reasoned argument in favour of her position. The fact is that

drug costs are one of the fastest growing components of health care across the country. The fact of the matter is that this province made a decision and led the country four years ago when we recognized pharmacists as full partners, as professionals in delivering health care. We offered last year, with their support, a full professional services framework complete with payments for services, including renewing of prescriptions, modifying prescriptions, and developing care plans. This government is prepared to deal with pharmacists as professionals. I'm sure they're wondering why the opposition is not.

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

**Ms Smith:** Thank you, Mr. Speaker. What we are asking for is a solution that recognizes that if the government eliminates a source of income, there is going to be more of an impact for the entire community, not just for the pharmacy. While the large corporate pharmacies that have multiple streams of income can survive, the small independents cannot. What is the minister going to do about this?

**Mr. Horne:** Mr. Speaker, over the last four years government has provided \$95 million in transition funding to support pharmacists in moving from their traditional role as dispensers of medication to full professionals working as part of primary health care delivery in this province. This is a responsible approach to 21st century health care. It is not, as the opposition would have us believe, a stuck-in-the-past attitude toward the important role that pharmacists play. It also, I think, is quite revealing that the hon. member ignores the important additional value for taxpayer dollars that results from this initiative. Why isn't she interested in that?

**The Speaker:** The hon. Member for Grande Prairie-Smoky, followed by Rimbey-Rocky Mountain House-Sundre.

**Mr. McDonald:** Thank you, Mr. Speaker. In last week's budget the government announced that it would be implementing a pharmacare program in 2014, that it was reducing generic drug prices from 35 to 18 per cent for brand name prices and is investing \$5 million in new insulin pump therapy. To the Minister of Health. People with type 1 diabetes are anxious for more details on the Premier's promise to fund insulin pumps. When can they enrol in the program, and when can they pick up their pumps?

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

**Mr. Horne:** Thank you, Mr. Speaker. Consistent with the Premier's pledge we will be offering an insulin pump program beginning later this spring. All insulin-dependent diabetics in Alberta will be eligible for the program based on clinical criteria that are being developed now. The program, for those participants who are eligible, will cover a hundred per cent of the supplies. This is an investment in quality of life for the increasing numbers of Albertans that suffer from type 1 diabetes.

**Mr. McDonald:** Also to the minister: can you explain how the pharmacare program will benefit constituents in northern Alberta?

**Mr. Horne:** Mr. Speaker, the pharmacare program will benefit all Albertans, as has been said in response to previous questions. About 20 per cent of Albertans currently have access to no drug coverage. We are concerned as a caucus and a government about seniors and other vulnerable people in the population who not only have no access to ongoing coverage but often have to choose between paying for drugs and other necessities of life in order to

support their independence. That's not right, that's not the way Alberta works, and that's not a situation this government is willing to tolerate.

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

**Mr. McDonald:** Thank you. Also to the minister: how can you say that reducing the generic drug prices will not affect anyone in the rural pharmacies in northern Alberta?

**Mr. Horne:** Well, Mr. Speaker, we've never said that the reduction in generic drug prices, as it has across the country, would not affect particular business models for pharmacists. In fact, as part of the \$95 million in transition funding we currently have a \$15 million fund to support rural and remote pharmacists across this province in transitioning to the new model. The coming fiscal year will see year 2 of the program. It will continue after that. We're working with the Pharmacists Association of Alberta to make sure the eligibility criteria for this program are actually meeting the needs of those pharmacists most affected.

**Mr. Anglin:** Access to rural pharmacists is a good way to provide and manage care. Due to poorly drafted regulatory changes, the pharmacy funding model is destroying a rural pharmacy's ability to recover costs. Some pharmacy fees have been frozen for six years, and the rural pharmacy access grant program fails to offset financial losses. The new funding model put in place by this government is backfiring. Why does this government seem so anxious to drive rural pharmacies out of business?

**Mr. Horne:** Mr. Speaker, I thank the hon. member for the question. No government in Canada that I'm aware of has done more to support pharmacists, including rural pharmacists, to transition to a place where they are full partners in the delivery of health care in Alberta and recognized as the professionals that they are. I can tell you that as recently as last night I had a teleconference with many stakeholders in pharmacy across the province. Many rural pharmacists were part of that call. We're continuing to work with them to allocate the \$10 million in funding that has been dedicated to support them in transitioning to the new model. We'll continue to work with their association to make best use of those dollars.

**Mr. Anglin:** Pharmacists say that they have not been consulted in good faith. This government says that it's consulting. Why should Albertans trust this government given this government's trail of broken promises and its questionable history of not telling the truth?

**Mr. Horne:** Well, Mr. Speaker, hardly a question of government policy, but I'll reiterate for the hon. member that this government has provided over \$95 million in transitional funding to support the move to the new pharmacy services framework. This framework was not designed by the government; it was designed by the pharmacy profession across this province. It represents the dedication on their part to playing a greater role in the delivery of health care. It also represents a commitment to transition business models from the traditional dispensing-fee approach to one where we compensate people for the professional services they can provide. This is the direction of the future. It's well supported by the profession, and we stick by it.

**Mr. Anglin:** Bleak future.

Given that the freeze on utility costs has just been lifted – defrosted, so to speak – and utility bills are now expected to rise, how can a local rural pharmacist be expected to pay these inflated

utility bills and stay open for business to serve their communities when the failed regulations of this government prevent pharmacists from recovering their costs?

**Mr. Hughes:** Well, Mr. Speaker, it takes quite a stretch to connect drugs with electricity, but only this member could do that. It is crystal clear and it was crystal clear back in January when, we made the announcement, that the impact upon all consumers, including pharmacists, is actually exceedingly marginal.

Thank you.

**The Speaker:** The hon. Member for Lesser Slave Lake, followed by Calgary-Mountain View.

### Métis Settlements Agreement

**Ms Calahasen:** Thank you, Mr. Speaker. In 1990 I was proud as an MLA to have been involved in a historical settlement between Métis settlements and the Alberta government called the accord. This provided Métis with land, a governance structure, and limited years of funding. Today I was in another historic moment, and that was the signing of another agreement for a long-term governance and funding arrangement and partnership with the Métis settlements, called the LTA. It took a long time in negotiations. Would the Minister of Aboriginal Relations please provide clarity on this new agreement for all Albertans?

**Mr. Campbell:** Well, Mr. Speaker, I am very proud to say that the Premier and I did sign a long-term agreement with the Métis settlements. I think the important part to remember is that while these are strong Métis people and strong with their heritage, they're also strong Albertans. When we sat down to look at the long-term governance agreement, we understood that we had to work together to actually bring together the socioeconomic gap between Albertans and Métis settlements, and this governance agreement is about that. It's about governance, bringing accountability and openness to the governance structure. It's about essential services. It's about building infrastructure. It's about providing economic opportunities both on settlement and off settlement. We're very proud to work with the Métis settlements.

**Ms Calahasen:** To the same minister: given that we have many skeptics, how do we ensure that we are going to get value for the dollars invested with these Métis settlements?

**Mr. Campbell:** Well, again, thank you for the question. Mr. Speaker, what's great and important about this document is that the Métis Settlements General Council and the negotiating committees came to us and said: "Listen. We want to be part of the solution." So when we put this document together and negotiated the terms of it, there are benchmarks in place that the Métis settlements will reach as we move forward and provide the funding. You know, it's important for people to realize that the leaders of the Métis settlements have thought outside the box and taken a very big step moving forward in making sure that their communities are part of the solution.

2:20

**Ms Calahasen:** Again to the same minister: does the long-term arrangement impact governance and accountability on settlements? Some of my Métis members are worried that it may not.

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

**Mr. Campbell:** Thank you, Mr. Speaker. Again, as I said earlier, the biggest part of this agreement is the strength in governance

and accountability on the settlements. This is an important aspect of the agreement. We will work together to clearly define the roles and responsibilities of councils, improve financial management and transparency, and build government capacity. This will be done in partnership with the Métis general council, and that's the most important part of this agreement. It is a partnership, and it is a working agreement. We will continue to work with the Métis settlements over the next 10 years to bring them to where they want to be as true partners in Alberta.

**The Speaker:** The hon. Member for Calgary-Mountain View, followed by Edmonton-Calder.

### Surgical Wait Times

**Dr. Swann:** Thanks, Mr. Speaker. The latest surgical performance measures continue to shed light on Alberta Health Services' failure to improve basic surgical wait times. For example, semi-urgent hernias, shoulder surgeries, knee repairs still wait months for repair. As our population grows, so do our wait-lists. There's no relief in sight coming out of this latest budget. These unnecessary delays not only cost the health system more; they lead to lost productivity, increased suffering, and have dire long-term consequences. To the minister: given that hips, knees, and cataracts are not the only surgical needs, are you simply creating the conditions for more private options such as the failed Health Resource Centre in Calgary?

**Mr. Horne:** Well, Mr. Speaker, part of the answer to the hon. member's question was found within his question, and that is the fact that this province continues to grow, by over 100,000 people this year, and the demands on our health care system increase accordingly.

Mr. Speaker, the other thing the hon. member ignores is the great improvements that have been made in waiting times for many high-demand elective procedures across the province. This hasn't been a function of the budget; it has been a function of the dedicated professionals in Alberta Health Services organizing care differently, using evidence to identify clinical pathways that deliver better outcomes. That's the type of improvement that this government is pursuing.

**Dr. Swann:** Mr. Speaker, this minister seems to be surprised that Alberta is growing still. How many years have we been growing and not planning for increased needs in our population? Apart from a few notable exceptions, wait times for surgical procedures have not improved. What is plan B?

**Mr. Horne:** Mr. Speaker, the hon. member seems confused as to whether he wants to talk about money or whether he wants to talk about improvements in the health care system by being open to doing things differently. Fortunately, Alberta has had both. Budget 2013 provided for a 3 per cent increase in health spending. This is on top of an average 9 per cent increase in health spending over the last 10 years. At the same time we're seeing advances in areas like depression and access to lung cancer surgery. These things are the result of supporting the people that deliver care and allowing them to make the improvements in the way they best see fit.

**Dr. Swann:** Mr. Speaker, we're still not seeing the changes in community care services, seniors getting into the appropriate placement, home-care services, and recent examples once again show that the PC government is forcing Albertans into private care clinics. Why won't you stand up for citizens as opposed to the privateers?

**Mr. Horne:** Well, Mr. Speaker, it's this hon. member that insists on making ideology around providers an issue in health care. The fact of the matter is that we're focused on actual improvements in our system, as I've said, by supporting our system with above-average financial growth compared to the rest of the country and also by focusing on improvements for which the hon. member should frankly give Alberta Health Services credit. We've seen many reductions in overall wait times. We're seeing a continued move of more services to the community through primary care networks, through family care clinics, and through increased home care for seniors.

**The Speaker:** The hon. Member for Edmonton-Calder, followed by Strathmore-Brooks.

### Funding for Private Schools

**Mr. Eggen:** Thank you, Mr. Speaker. Albertans would be surprised to learn that while this year's Education budget is effectively frozen, the budget that directs public money to private schools has increased by more than 5 per cent. Factoring in growth, the public education budget is, in fact, a cut that will result in larger class sizes, staff layoffs, and possible school closures on the public side, but then there is a healthy increase of public money to finance private schools. How can the Education minister possibly justify this?

**Mr. J. Johnson:** Mr. Speaker, private schools are providing kids in Alberta with great choices and great options, and they should be celebrated and not condemned. Yes, funding for private schools went up because enrolment is going up, simply because of that, just like in the public system. In fact, we've seen a huge spike in enrolment, and 70 per cent of the funding increases to the private schools are going to the early childhood services operators, so the pre-K.

You know what? I encourage the member to actually visit some of the private schools before writing them off as posh boarding schools, like Inner City high right here in Edmonton, that serves students who are at risk of not completing high school; or Elves Special Needs Society, that provides programs for children with severe disabilities. That's the face of private schools in Alberta, and we'll continue to support them.

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

**Mr. Eggen:** Thank you, Mr. Speaker. Well, given that this budget increases public money to private early childhood education by a very substantial 11.6 per cent, how can the minister justify this generous increase to private kindergarten and early childhood education while breaking his promise to provide the option of full-day kindergarten in the public education system?

**Mr. J. Johnson:** Mr. Speaker, just let me get this straight. The member wants us to stop funding projects like the Janus Academy in Calgary, that supports autistic students who need specialized supports, or the Calgary Quest school, that supports kids who are too medically fragile for large public schools. [interjections] What about the schools that are focused on religion? No funding for them either? [interjections] Just to be clear, the hon. member supports diversity; he just doesn't want us to fund it.

### Speaker's Ruling Decorum

**The Speaker:** Hon. members for Edmonton-Highlands-Norwood

and Edmonton-Strathcona, we were doing reasonably well. These interjections: really, let's cut them out because each time I stand up, I take five or 10 seconds off someone else's time. You know that I'm trying to get more members up for questions, not fewer.

Hon. member, next question.

### Funding for Private Schools (continued)

**Mr. Eggen:** Thank you, Mr. Speaker. To suggest that is entirely dishonest and spurious. You should include those programs in the public system.

Given this minister's decision to continue to use public financing for private schools while cutting public education, can the minister tell us why this sorry and deeply ironic Education budget is anything but a slap in the face to students, parents, and staff who rely on the public, not private, education system?

**Mr. J. Johnson:** Mr. Speaker, there's no question that this is a challenging budget for everyone. Let's be clear that there are funding cuts on envelopes and decreases on envelopes to the public system and the private system. The increases that are going into the public system and the increases in the private system are driven by the same thing, and it's simply enrolment increases.

You know, Mr. Speaker, I think where we disagree is that we both respect diversity; it's just that they don't believe we should fund it. They respect diversity as long as everyone is getting the same education. Well, that's not diversity. Every child is different, and we need to provide different options and choices for different children.

**The Speaker:** The hon. Member for Strathmore-Brooks, followed by Bonnyville-Cold Lake.

### Ground Ambulance Services

**Mr. Hale:** Thank you, Mr. Speaker. I'd like to just take a moment to mention that the school I introduced is here now.

The Wheatland and Adjacent Districts Emergency Medical Services Association was created by a number of municipalities and has received an average of over 3,000 emergency calls per year for the last 25 years. Despite the AHS superboard's lavish bonuses, waste, and abuse, they recently chose to cut WADEMESA's essential front-line service contract by half a million dollars. To the Minister of Health: given that this cut will make carrying on operations next to impossible, why is he targeting front-line services rather than executive waste as a place to find savings in the health budget?

**Mr. Horne:** Well, Mr. Speaker, with respect to Wheatland county and emergency medical services there, as the hon. member knows, the government just received and responded to a report of the Health Quality Council on improvement of ground ambulance services across the province. That report mentioned specifically and delved specifically into issues that municipalities are facing in looking at ways that we can build the strong provincial ground ambulance system that we all want while still making best use of all of the resources that are available across the province in rural and urban Alberta.

Mr. Speaker, with respect to the balance of the hon. member's question we are cutting waste in the system and will continue to.

**The Speaker:** And we'll hear more soon, I'm sure.

**Mr. Hale:** Given that this government always strong-arms stake-

holders, will the minister explain how this very efficient agency can provide the same quality of service with a much smaller budget, or is this local service being degraded to help cover Calgary's EMS budget shortfalls, putting my residents in Strathmore-Brooks at risk?

2:30

**Mr. Horne:** Well, Mr. Speaker, let's be very clear about the policy direction in Alberta with respect to ground ambulance services. We made a decision – a number of members in this House participated in a debate – about moving to a provincial emergency medical services system a number of years ago. The benefits have been well discussed in this House, including the ability to provide backup services for small communities in the event that their ambulances are involved in interfacility transfer or supporting larger cities. The commitment to a centralized approach to ground ambulance service delivery continues. We're not interested in going back to the 1960s and 1970s era, when every municipality was left to fend for themselves.

**Mr. Hale:** Mr. Speaker, given this government's obsession with centralizing services and given the ridiculous claim that maps are enough to address the serious concerns of dispatchers with little or no local knowledge, why is the minister willing to endanger lives by cutting out local EMS dispatchers, who live in and know our communities?

**Mr. Horne:** Mr. Speaker, the hon. member by this time, I would hope, would understand the importance of central dispatch to the success of our provincial system for ground ambulance services. The very fact that municipalities that run dispatch services and other dispatch providers are out of the system does not allow for a province-wide approach to management of our ground ambulance fleet. That very well can mean that communities in the hon. member's own constituency could be left without coverage. The answer is clear. The report makes it clear. We need to move to central dispatch for this province to provide Albertans with the quality of ground ambulance service they deserve.

**The Speaker:** The hon. Member for Bonnyville-Cold Lake, followed by Little Bow.

#### Teacher Administrative Workload

**Mrs. Leskiw:** Thank you, Mr. Speaker. As a former teacher I understand all too well the workload challenges facing teachers. In particular, I often hear from teachers in my community about the increasing amount of paperwork that they're expected to do on behalf of their students. I know the Minister of Education has recently worked with a group of teachers to try to reduce this paperwork burden, but I am concerned changes will take way too long. To the Minister of Education: I know you were talking about improving workload, but what have you actually changed to reduce the unnecessary paperwork process for our great teachers in this province?

**Mr. J. Johnson:** Mr. Speaker, our teachers in this province do work hard, and we want to make sure that they stay focused on the task that matters, and that's our kids and their learning. Our desire to reduce the adminis-trivia in the business is genuine.

We've been reaching out to teachers recently and got some great information from the e-mails back and from a visit to teachers in Lac La Biche. Several have mentioned that they've got a lot of unneeded paperwork with respect to diploma exams and accommodations. So we worked with teachers. We brought a

whole bunch into this building, spent a day with a facilitator in my department, and we fixed it. They've designed the new process, re-engineered that for us, and we're going to roll that out, some of it in June and the rest next year.

**Mrs. Leskiw:** To the same minister: why aren't all these changes coming into effect immediately? Why the two-part staging?

**Mr. J. Johnson:** Mr. Speaker, this is coming from the people that have to work with it on a day-to-day basis, who specifically requested a phased-in approach. We've respected that. Some of it is going to happen this June, the rest is going to be brought in halfway, and we'll have it fully commissioned for the next school year.

**Mrs. Leskiw:** My final question is again to the same minister. How will these changes make it easier for constituents like mine, who need these supports and were growing frustrated with the process?

**Mr. J. Johnson:** Well, I think the most important thing is that the kids on the ground, the students, aren't going to see any difference. It's going to be completely transparent to them. Once all the changes are made, the schools will see a 90 per cent reduction in the number of diploma exam accommodation requests that are required. The intent is that this is going to take a lot of unneeded paperwork off the plates of teachers and administrators on the ground. It's not going to create any extra issues for students or parents. Maybe it's something that we should've done a long time ago, but we're going to do it now.

#### Agriculture and Rural Development Staff Levels

**Mr. Donovan:** Mr. Speaker, in this back-in-debt budget tabled Thursday, the government decided to cut staff of Alberta Ag by 30 people. Will the minister clarify which positions were eliminated? Were they front-line workers, middle managers, or senior bureaucrats?

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

**Mr. Olson:** Thank you, Mr. Speaker. There were, indeed, 30 cuts in my department, but I want to stress that even with these cuts we feel well able to manage the responsibilities that the department has. There were actually 10 positions that were empty positions, not occupied at the time. There were 20 positions that were made up of 17 in my department, middle managers, mostly people in Edmonton, and three people at AFSC in Lacombe.

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

**Mr. Donovan:** Thank you, Mr. Speaker. Given that we're living in the red and living in the pink-slip times and considering the costly price of severances for managers and bureaucrats, how exactly did you determine who would get the pink slips and who wouldn't?

**Mr. Olson:** Mr. Speaker, my deputy minister manages the department. Those types of decisions are made there. I don't know the names of the people who were given their notice. That's not a policy question. That's a question that could come in estimates, perhaps.

**Mr. Donovan:** All right. Well, I can't wait for estimates.

With this government so committed to cutting and making such a huge cut in this department, actually dropping 30 positions out of the more than 1,600, did the minister ever consider cutting the

completely political position held in this department by the former minister and defeated candidate Evan Berger?

**Mr. Olson:** Mr. Speaker, here we go again with this preoccupation with Evan Berger. I'm interested that the opposition has four failed candidates working for their caucus, and I want to just remind the hon. member that the Ethics Commissioner approved of this hiring of Evan Berger. He's doing great work for our department.

**The Speaker:** We're going to look into the appropriateness of mentioning names, as I mentioned earlier – we just repeated that again – and if there are special categories of people that should be exempt or not. Just so you know, that's all being researched. Meanwhile let's move on.

The hon. Member for Calgary-Mackay-Nose Hill.

### Public Native Grasslands

**Dr. Brown:** Thank you, Mr. Speaker. In 2010 the Premier, responding to widespread public opposition, cancelled a request for a proposal on development of 25 square miles of native mixed-grass prairie rangeland north of Bow Island. In the spring of 2012 the Brewin ranch near Purple Springs was purchased by a new owner, including three sections of native prairie Crown grazing lease. However, it appears, according to reports, that the new owners are trying to acquire freehold title to that Crown land by trading it for freehold land in order to plow it under. My questions are for the Minister of Environment and Sustainable Resource Development. Is the government planning to sell or swap three sections of Crown grazing lease lands for private lands near Purple Springs?

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

**Mrs. McQueen:** Well, thank you, Mr. Speaker, and thank you to the member for the question. You and I know that Alberta's public lands are really an integral part of this province and the heritage of this province, and we have a rigorous application process that must go through for land sales and exchanges. We are aware that an interest has been expressed in obtaining land near Purple Springs. However, at this time government has not received an application to purchase or exchange grazing lease lands near Purple Springs.

**Dr. Brown:** Will the government ensure that qualified professional biologists will conduct assessments on any grazing lease lands and any land which may be proposed to be swapped for them?

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

**Mrs. McQueen:** Well, thank you, Mr. Speaker. Land sales or exchange proposals are reviewed by resource management specialists, including biologists from our ministry, and as you know, biologists play an essential role because they help determine if an exchange offers a net benefit. Government has not received an application, as I said, to purchase or exchange grazing lease lands near Purple Springs.

**Dr. Brown:** Will the government support the policy of no net loss for public native grasslands in southern Alberta? Yes or no.

**Mrs. McQueen:** Well, Mr. Speaker, we recognize the value of native lands, prairie lands, and we support its protection on public land through existing policy and legislation. The South Saskatchewan regional plan encompasses a large portion of native grasslands, and the plan will ensure that the preservation of native prairie remains a priority for this government.

**The Speaker:** Hon. members, in a few seconds we'll commence with Members' Statements, but might we have your permission to revert briefly to Introduction of Guests?

[Unanimous consent granted]

### 2:40 Introduction of Guests (continued)

**The Speaker:** The hon. Member for Lac La Biche-St. Paul-Two Hills.

**Mr. Saskiw:** Thank you, Mr. Speaker. It is my pleasure to introduce to you and through you to all members of the Assembly a group of home-schoolers from St. Paul and Lac La Biche. It is encouraging for the Official Opposition to see, visit, and listen to families from the home-schooling community, and I will definitely say that we will continue to stand up and advocate for choice and parent-driven education policy in Alberta. I would ask that each of you stand up as I say your name. First, the Spiess family: Glenn, Susan, MaryAnne, Maximilian, Benedict. Then the Schalin family: Pam, Naomi, Brannon, Donovan, Justin, and Morgan. I would ask that my guests rise and receive the traditional warm welcome of this Assembly.

**The Speaker:** Hon. Member for Strathmore-Brooks, did you wish to put something on the record about your guests?

**Mr. Hale:** Thank you, Mr. Speaker. The guests that I introduced from the Brooks high school before my question are here now, so I'd just like them to rise and receive the warm traditional greeting.

**The Speaker:** Thank you.

Hon. members, in 30 seconds we'll continue with Members' Statements, starting with the hon. Leader of Her Majesty's Loyal Opposition.

### Members' Statements (continued)

#### Transition of Michener Centre Residents

**Ms Smith:** Mr. Speaker, yesterday's news that Red Deer's Michener Centre will close and that its residents will be relocated was devastating for the community in more ways than one, devastating, of course, because moving 125 developmentally disabled adults out of familiar surroundings and away from loved ones is never a desirable course of action but also devastating in how it was handled: no consultations, no discussions, not even a courtesy heads-up. When the budget dropped, so did this bombshell: 125 residents, their families, and all the staff blindsided with absolutely no plan for where they all would go. Now, the minister said that families could not be notified because it was a budget decision. What a cold and callous way to justify their actions, Mr. Speaker. These residents aren't a line item on a budget, and they deserve better.

Sadly, Mr. Speaker, this isn't the first such instance of erratic, seemingly arbitrary decisions in health care. Just this summer the government abruptly pulled the plug on the Little Bow continuing care centre in Carmangay, forcing 18 dementia patients out of their homes against doctors' orders and away from their families – several of them have already since died – despite the facility meeting all 12 compliance standards stipulated by AHS just three months prior. Now here we are, almost a year later: another blindsided by this government against our most vulnerable citizens. Just like Carmangay, the residents of Michener are being forced out with nowhere to go.

Now, the minister is saying in the paper today in his quote that he is “fraught with worry” about what will happen to Michener residents once they are moved. I appreciate the minister’s concern. However, I dare say that he owes everyone, especially the residents of Michener, an explanation on how this decision was taken despite his serious reservations. Then again, as we’ve seen before, maybe this is just the way things are done. Shoot first; ask questions later.

**The Speaker:** The hon. Member for Fort Saskatchewan-Vegreville.

### Canadian Agricultural Safety Week

**Ms Fenske:** Thank you, Mr. Speaker. From March 10 to 16 we recognize Canadian Agricultural Safety Week. As we all know, agriculture is part of the foundation of this province and our largest renewable resource industry. Each and every year we celebrate Agricultural Safety Week as a way to raise awareness, but the truth is that farm safety needs to be a year-round priority. My father was involved in a farming accident involving a grain auger, and I know firsthand how important a safety plan is not only to avoid risks but for what to do should an accident occur.

This year the Canadian Agricultural Safety Association’s theme for farm safety week is Get with the Plan! We are urging all producers, farm workers, communities, and organizations to develop written health and safety plans to identify hazards and control them.

Our government is committed to working on initiatives that promote a culture of safety on our farms. Our farm safety coordinators work hard across this province on assessment improvement and the further development of farm safety systems. We also work with organizations such as 4-H and agricultural societies to enhance awareness of farm safety. Education, awareness, and planning are the keys to making sure our farms are safe.

To kick off Canadian Agricultural Safety Week, Agriculture and Rural Development has teamed up with Health Services to provide a fun, interactive health and safety learning environment for kids of all ages at the Peace Country Classic Agri-Show in Grande Prairie. People can always go to Agriculture and Rural Development’s website to access the latest documents and links on farm safety.

I encourage all Albertans to consider the role they have in farm safety and to look for ways to participate in their community, whether by implementing a farm safety plan or by teaching our children how to play safely on the farm. Farm safety needs to be a year-round commitment for everyone, and this week is a good reminder of that commitment.

**The Speaker:** The hon. Member for Edmonton-South West, followed by Calgary-Fish Creek.

### Budget 2013 Benefits

**Mr. Jeneroux:** Thank you, Mr. Speaker. I’m very pleased to have this opportunity to stand and recognize this year’s historic provincial budget and speak to what it means for our future and take a moment to make note of what it means for my constituency of Edmonton-South West. Investing in families and communities has always been a fundamental principle of this PC government. If we are to ever worry about our future, then we must look at what we do today and how it impacts the upbringing of our children as they are our future.

I can think of nowhere else that speaks to the importance and payoff of this than in the communities of Edmonton-South West. I am proud to call these communities home. Our communities are

comprised of new families and the young children that will propel Alberta into the future. Naturally, Mr. Speaker, the well-being and education of our children and the quality of the environment in which they are raised are of the utmost importance to our future. We hold ourselves to a very serious commitment to our children, and this budget reflects that.

Accordingly, Mr. Speaker, it is my belief that our Education budget has set us on the right path for building up a strong future for young Albertans and the province they will come to shape. Although some tough decisions had to be made and some restraints taken, it is important that our children have access to the facilities and learning spaces that will allow them to be successful. This budget proves that this PC government remains dedicated to making the important infrastructure needs in Edmonton-South West happen. The future belongs to those who prepare for it today, and for me, with the future I envision and that many of the families in Edmonton-South West envision, this budget ensures success for our future generations.

Thank you, Mr. Speaker.

### Trust in Government

**Mrs. Forsyth:** Mr. Speaker, this Premier has a way with words. In 2011 she said that she’d bring transparency and accountability to her post. She wants an energy strategy and sustainable development. She says that she wants dialogue and conversation, and anyone who questions her must be extreme or ideological. The Premier is a fan of buzzwords. She manages to devalue these words so much every time she says them that they sound like white noise. These words mean nothing coming from her.

Let’s stop the buzzwords, political jargon, and lawyerly language for a moment and take a look at the Premier’s actions and words. She’s broken fixed election dates, balanced budgets, and no debt. She’s broken all of them. She’s promised to raise the bar on accountability, but her government is just as antidemocratic as her predecessors’.

Look at this year’s budget estimates. A process that usually takes a month is now going to be crammed into just 10 days. That’s 477 pages of detailed financial information that the opposition is now expected to read, analyze, and scrutinize in less than two weeks.

Mr. Speaker, this Premier has a habit of saying one thing and doing another, and she uses it to escape accountability at every turn. Lawyers, after all, are taught that every position is defensible. While the opposition comes prepared every day to engage in real debate to advance the province, the Premier is stuck on talking points and political jargon. Albertans are sick of it.

Mr. Speaker, Albertans are the real heroes in this province, not the government, and they are neither extreme nor ideological. They can tell when they’re being misled, and you know what? They don’t like it. Maybe that’s why more and more Albertans are losing trust in this government every single day. Regardless, the Premier would do well to stop mincing her words and start actually sticking to them.

2:50

**The Speaker:** Before I recognize the hon. Member for Edmonton-Riverview, I want to thank him for allowing us to change the batting order today for private members’ statements. Some people had an urgency to leave sooner than later, and you were gracious enough to go last, and I just wanted that noted. Thank you.

The hon. Member for Edmonton-Riverview.

**Mr. Young:** Thank you for the kind words, Mr. Speaker.



### Fraud Prevention Month

**Mr. Young:** Mr. Speaker, I rise in the House today to draw attention to Fraud Prevention Month. This is another example of a commitment to build safe and strong communities. On a fundamental level the purpose of prevention programs is to raise the awareness of citizens' role before, during, and after a fraud. It is important to emphasize prevention, mitigation, and loss avoidance. By making citizens more aware and involving them, citizens are the stakeholders in their own assets.

While there are several forms of fraud, what it means to every victim is loss. We are seeing a widening gap between these victims' losses and the fraudsters' ability to separate these victims from their assets. It can take its toll on a person's credit rating, finances, and personal life. Our government, crime prevention partners, and law enforcement are working to reduce fraud.

Mr. Speaker, we have the Edmonton Police Service economic crime section, the auto theft unit, and some of their partners here with us today. I'd like to thank them for taking the time from work and travelling to be here with us.

Let me outline the facts. Fraud is a large and growing problem in Canada. It is estimated that approximately 1 million Canadians are victims of mass marketing fraud and identity theft in Canada annually, at a cost of about \$10 billion. Nearly 80 per cent of mass marketing fraud using the telephone, mail, or Internet can reach a large pool of potential victims. It is conducted by organized crime groups and is currently the second most common criminal activity funding terrorist activities.

Despite the pervasiveness of the problem 9 in 10 Canadians do not speak to anyone about fraud. Fewer than 5 per cent of fraud victims contact the Canadian Anti-Fraud Centre to report the offence. In 2011 the CAFC reported that e-mail, Internet, and texting were the most common solicitation methods, and these methods resulted in the highest dollar loss by Canadian victims.

I want to take this opportunity to invite my legislative colleagues on both sides of the House to support this initiative.

### Tabling Returns and Reports

**The Speaker:** The Member for Edmonton-Highlands-Norwood or someone on behalf of. Edmonton-Strathcona.

**Ms Notley:** Thank you, Mr. Speaker. I'd like to table the appropriate number of copies of e-mail submissions that Albertans made to our prebudget tour, which visited seven cities in the last few weeks. Tina, Mathew, and Stephanie are some of the Albertans who provided interesting input. For example, Stephanie would like this PC government to ensure that oil companies pay their fair share for resources and pay the full cost of cleaning up after themselves. Submissions like this clearly show the priorities of Albertans and how out of touch this PC government actually is with its broken-promises budget.

Thank you.

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

**Mr. Hehr:** Well, thank you, Mr. Speaker. I have three tablings. I have the appropriate number of copies of all of them. The first one is an evaluation of the summer temporary employment program, the only one I was able to find. It was completed in 1972, the last completed evaluation of this program.

Moving on to my next tabling, there is an RFP, a request for proposal, for a similar review of STEP from October of last fall. This review wanted to determine the value and impact on stakeholders and the value to students. This review was, we

believe, suspended before its completion, before this budget was released by this government.

Also, Mr. Speaker, today I met with a number of students from the Alberta Students' Executive Council. They are concerned with proposed cuts to secondary education and how this budget hinders the future economic growth of this province. I am tabling their document for the record.

Thank you, Mr. Speaker.

**The Speaker:** Thank you, hon. members.

Are there others? The hon. Member for Cardston-Taber-Warner, followed by Lac La Biche-St. Paul-Two Hills.

**Mr. Bikman:** Thank you, Mr. Speaker. I appreciate this opportunity to table some documents that have come to me in the form of letters and e-mails from concerned citizens in my riding that express a view diametrically different from the one expressed by the hon. Minister of Health regarding rural ambulance service as well as the impact of the budget on pharmacists and the patients who rely on the local rural pharmacists for the important care that they receive. I have the requisite number of copies here.

**The Speaker:** The hon. Member for Lac La Biche-St. Paul-Two Hills.

**Mr. Saskiw:** Thank you, Mr. Speaker. I have an e-mail dated March 10 of this year from Andrew DeGruchy. The individual is from Cold Lake. He's asking that the government suspend the relocation decision, consult with the doctors and affected communities, and states that "there is no need to be rushing the medevac changes – especially when lives are at stake." I have the requisite copies.

I also have a second tabling, an e-mail dated March 11 of this year from Jon Knutson from Lac La Biche, who's indicating that where minutes count, rerouting would take additional hours, and he's urging the government to reconsider the relocation of the medevac services. I have the requisite copies.

Thank you, Mr. Speaker.

### Tablings to the Clerk

**The Clerk:** I wish to advise the House that the following document was deposited with the office of the Clerk. On behalf of the hon. Ms Redford, the Premier, pursuant to the Public Service Act the corporate human resources annual report 2011-2012.

### Statement by the Speaker

#### Preambles to Supplementary Questions

**The Speaker:** Hon. members, just before we go to Orders of the Day, a polite reminder that tomorrow I do intend to proceed with what I called yesterday an experiment, and that is to review how preambles do or do not fit ahead of supplementary questions. I am prepared to grant some leeway to opposition leaders, obviously, but to the rest of you, please be reminded that tomorrow your preambles must not appear before a supplementary question if at all possible. I'll be a little concerned and lenient as well, but we're trying to shorten up the time it takes so that we can get to more members.

Typically, if you take 35 seconds for a question and 35 seconds for an answer, you're going to wind up with about a three-and-a-half-minute exchange per item, and that takes us to about 15 members. We should be getting up to about 16, 17. We used to do that, and we're going to try and get there through some means if we can. That's what I'd like us to try tomorrow, please, and I seek your co-operation today in preparing yourselves for that tomorrow.

**Orders of the Day**  
**Government Motions**  
**Provincial Fiscal Policies**

28. Mr. Horner moved:  
 Be it resolved that the Assembly approve in general the business plans and fiscal policies of the government.

[Adjourned debate March 7: Mr. Saskiw]

**The Speaker:** I have the hon. Member for Lac La Biche-St. Paul-Two Hills ceding to the Leader of the Official Opposition. Please proceed.

**Ms Smith:** Thank you, Mr. Speaker. I'm pleased to be able to rise for the first time to give an official budget response. But I have to say that it does make me want to reminisce a little bit about when I first started getting involved in politics and when I first started looking at budgets for not only the province but also the federal government. It was back when I was Progressive Conservative. Back in 1992-93 I was a campus club president at the University of Calgary, and it was a pretty . . .

**Mr. Hancock:** Redemption is still possible.

**Ms Smith:** Well, I'll tell you my path to becoming a Wildroser because I think that probably some of the members opposite are probably going through the same kind of thinking that caused me to go down this path. I just want to walk through this.

When I was a campus club president, it was pretty exciting because we had five elections that year. There was a provincial leadership race, a federal leadership race, there was the Charlottetown accord, a federal election, and a provincial election. Of course, at the federal level I was a Charest delegate, went to Ottawa. It was a pretty exciting time.

But one of the things that I became frustrated about in the 1993 election, having been a campus club president and trying to argue about why the Mulroney deficit and the Mulroney spending were justified, was some of the crazy talking points that we were given from the federal counterparts, that they had slowed the rate of year-over-year increases in spending from the previous administration. No longer were they increasing operational spending at 14 per cent per year; it had now been decreased to 9 per cent per year. Somehow we were supposed to argue that that was an improvement.

3:00

They also sent talking points to argue about the difference between an operational surplus versus an overall surplus and why it was okay that they were overspending because they were actually running an operational surplus. So if you didn't include the amount that you had to pay for interest, then things were actually okay, when meanwhile, of course, debt-financing charges were continuing to consume a greater and greater portion of the overall amount of operational spending. I have to tell you that it was pretty demoralizing to be a federal Progressive Conservative in those times.

Then I remember 1994, when the Liberal government brought through their very first budget. It was very close for us hitting the debt wall at that time, you may recall. At that time we were at a point where we almost could not flow our national bonds because we were so indebted as a nation. There was an upstart party from Alberta, the Reform Party, led by Preston Manning. Listening to him really resonated with me. I think it's no small compliment and no small feat what the Reform Party was able to accomplish under

Preston Manning's leadership. I think Preston Manning probably is the reason why the federal Liberals at the time finally managed to go back into surpluses within a couple of years. They pressed the government to go in the right direction, and year after year after year they were able to run surpluses.

Now, they weren't the only government that was doing this, the Liberals in 1995, becoming a government that was offering surpluses. They had allies in the west. In western Canada the NDP government of Manitoba and the NDP government of Saskatchewan were also running surplus budgets. They had also realized how important it was to have balanced budgets even though they were NDP. Now, of course, they did it the same way the Liberals did, by increasing taxes.

But I would say that one of the other big allies for the Reform Party to be able to have that influence at the national level was, of course, Premier Ralph Klein, the Progressive Conservative Premier of Alberta. He took a different approach. When he was running for the leadership of the Progressive Conservatives in 1992, he gave an historic speech in Leduc where he talked about the three things that he wanted to do if he became Progressive Conservative leader. He had a passion and a vision even before he actually won the leadership. He said that he wanted to balance the budget without raising taxes – so not raising taxes was the important part – he wanted to make sure that they were in surplus and managed to maintain surpluses, and he wanted to pay off the debt. His three big promises, his big vision based on those three major objectives.

It galvanized the province. The province got behind him. They were excited about the idea that we would put aside the \$23 billion worth of debt that had been racked up by previous administrations during hard economic times in some cases, for certain, and also because resource revenues were off – that is certain – and because of a flawed approach to support a number of different business ventures on this failed idea that governments could somehow diversify the economy by taking our tax dollars to do it.

Premier Klein had a very different idea about how Alberta should be run, and I think Albertans bought into that idea. It was very exciting during that time. It's part of the reason why I was proud at the time to be supportive of that party. I think the proudest day for me was when Klein put that sign over his head back in 2004 during the Calgary Stampede that Alberta's debt had been paid in full. What a remarkable thing to see a politician who set out with three objectives and kept every single one of his promises. He didn't raise taxes. In fact, he reduced them significantly. He did return us to surpluses year after year after year. He did end up paying off the debt by putting enough money in the debt-repayment account so that as it became due, he would be able to pay it off completely.

I noticed some worrying signs shortly after that occurred. I remember going back through some of the columns that I had written back when I was at the *Calgary Herald* and then onward when I was with the Canadian Federation of Independent Business. I've been analyzing government budgets for some time. The signs of worry actually began for me about a decade ago, and that was when we began to see, once we had met this target, that the rules were starting to be played with a little bit. We used to have legislated rules about how much money had to go towards debt repayment and how much money could go into spending. My recollection of it is that at the time 75 per cent had to be earmarked for debt repayment and only 25 per cent could be used for current spending.

[Mrs. Jablonski in the chair]

Well, of course, once they started getting closer and closer to achieving that target, it was time to change the legislation. I was worried about what would happen when it came through, so I wrote columns at the time about that. One of the things that they came through with – and I think this was a Liberal Party idea – was the idea of having a sustainability fund and creating a new fiscal model now that we were into a new generation, having been debt free. Again, once that first came through, I thought that it was a pretty good idea, the notion that government would have a contingency fund that they would set up to be able to shield them against short-term fluctuations as well as to also, then, have some disciplined approach to how they would be managing future surpluses.

When that sustainability fund model first came in, the recommendation was that the government should take no more than \$3.5 billion worth of resource revenue for current operational spending. No more than \$3.5 billion. That was the idea when the sustainability fund model first came in. Not a bad idea. The way they came up with that number was that they looked at the historic average of what resource revenues would be and they wanted to make sure that they were always below that level so that if there was a moment or a year or two where you might have some fluctuations, you would be able to rely on your contingency fund, your sustainability account, to see you through one or two years.

Now, imagine if 10 years ago the Progressive Conservatives had actually stayed true to that commitment when they first passed that legislation, especially during this last boom, if they had managed to stay true to only keeping \$3.5 billion a year in resource revenue for operational spending. In the past 10 years we've brought in over \$100 billion worth of resource revenue. What that would have meant is that there only would have been a third of that brought into operational spending, which means two-thirds of that would have gone into the sustainability fund, topped it up, and then, beyond that, into the heritage fund.

What is so compelling about this thought is that if we could go back and do it all over again from 10 years ago, where would we actually be today?

**Dr. Starke:** Alaska, with no infrastructure.

**Ms Smith:** It's true. It would be like Alaska. It would be like Norway.

What we would have, actually, is \$100 billion to \$150 billion worth of revenue in that fund. And guess what it would be doing? It would be generating at least \$7 billion to \$8 billion per year worth of ongoing, sustainable investment income, which would actually be enough to fill this revenue gap that we often hear the Premier talking about.

Just having made a couple of smart decisions 10 years ago, look where we would be today. We wouldn't be talking about a revenue gap. We wouldn't be talking about how we are still victim of the rise and fall in volatile resource revenues. We would actually be on the sustainable path that the founder of the party opposite, the Hon. Peter Lougheed, had intended for us when he started off the heritage savings trust fund in the first place. But the government ignored the advice that was given. They ignored their own policy. They ignored their own law. That's what happens when laws get in the way, that are inconvenient to what the government does. They pass them at the time because they want to do it because it appears popular, and then when it becomes difficult to do, rather than make the difficult decisions, they just change the law.

We saw this happen again when Premier Stelmach came in. Initially I was actually quite hopeful because he talked about – I think he probably saw some of the same things I did – the need for

more discipline in managing budgets and surpluses. He talked about how the in-year spending was becoming part of the reason why the government wasn't able to meet some of its commitments. He actually came up with a new plan: one-third for infrastructure, one-third for maintenance, and one-third for savings. That would be how he would divide up year-end budget surpluses. Great idea.

An election came and went, and then, of course, in 2008 we saw that there was a surge in oil prices. In that exuberance the Finance minister at the time announced that there would be \$19 billion worth of resource revenue that would come in that year. Nineteen billion dollars. As a result, Premier Stelmach threw those promises out the window, threw his model out the window, and came up with a plan to put \$2 billion into the unfunded liability for the teachers' fund, \$2 billion into carbon capture and storage, and \$2 billion into the GreenTRIP fund, spending money he didn't have before it was actually realized, one of the things he promised during his leadership that he would not do.

**3:10**

That was it for me when I saw that there was absolutely no discipline in the management of the province's finances, when I saw the direction that this government was going. Sure enough, at the end of that year was the first deficit, the first of what is now six deficits and, unfortunately, the first of what are prolonged structural deficits that this government has no idea how it's going to get out of. That was my path to deciding that I could no longer support the Progressive Conservatives and needed to do something, needed to join the Wildrose.

Aside from that, let's remember what happened. That was also the time that Mr. Stelmach started his war on our energy industry. That was when he came through with the new royalty framework, which shattered investor confidence at a time when he should have been working with our industry to make the case internationally about how we were developing the resource in a way that was environmentally responsible, about why we needed pipelines to be able to get our product out to markets because we're a landlocked province. All of that work needed to start five years ago when, unfortunately, the leader of the government and his ministers were at war with their industry. It was the time that they needed to be doing that groundwork because now here we are today. We find ourselves five years behind at least on being able to make the case to get these pipelines approved.

Now, I'm very hopeful. I'm glad the Premier is doing some work in Washington and writing columns to be able to support the Keystone pipeline. That's exactly what the Premier should do. I'm glad that she's working with colleagues in Saskatchewan as well as our federal counterparts to push that ahead. But it's not a done deal. If you talk to people in the industry, they're actually thinking that there's a 50-50 chance that it might not get approved. I hope that's not the case. I hope that we can make the case to our international friends and customers that we are developing this resource in a way that has less and less impact on the environment so that they will approve our pipeline.

But I think it points to what happens when you make bad decisions and the economic consequences roll out from that years later. We are suffering today from bad decisions that were made in some cases 10 years ago and in some cases five years ago. Now it's going to take five to 10 years for us to be able to build the pipelines, get our product to market, close those differentials, realize the higher prices, get more resource revenue. We are stuck with dealing with the environment that we have today and the revenues that we have today. The question is: what is the PC leadership now going to do about it?

Well, I have to say that when I watched the PC leadership race back in 2011, I was watching to see what some of the candidates would be promising in their election platform. I have to say that there was one candidate who, if I had ticked off the boxes of the number of policies that she proposed that were actually out of the Wildrose playbook, would have had the most number of policies that coincided with what it was that the Wildrose wanted to do.

**Mr. Anderson:** Who was that?

**Ms Smith:** That person is the current Premier, who's remarkable to see. I've often said that if she did everything that she said she'd do, she would be a formidable leader and she would be leading a formidable government. Yet she's not. Yet she's not.

Let me tell you. I mean, this is a member's statement that I probably could have read in my first days in the Legislature. Let me read this to you because it tells you just how far the evolution of this Premier has gone since Monday, October 24, 2011.

We have all heard of the crises in Europe. Debt is the trap that has caught so many struggling governments. Debt has proven the death of countless dreams. Many European countries are struggling with debt burdens that in some cases exceed a hundred per cent of GDP. Those unfortunate nations spent too much and took in too little. Now they are faced with hard choices: raise taxes and kill jobs, cut spending and devastate the social safety net, or both. Their citizens are paying the price. The homes they loved have changed beyond all recognition.

Alberta has no net debt. In fact, we have \$5,700 in assets per person and the highest credit rating available. We have the lowest overall taxes in Canada. We have disciplined spending priorities and no long-term debt. We are blessed with a strong economy built on a powerful industrial base and a young population. We have one of the greatest energy sectors in the world. We are better off than many other places, and we have a future anyone else would envy, one this government will work to make better still.

But we can't take this for granted. Good fortune will not fall into our laps because we ask for it or [because we] think we're entitled to it. We have to earn it. We [have to] stay safe from these threats. This government will protect and strengthen our province. We will make it better. We will make the tough decisions. We will spend wisely and save intelligently, managing our finances to protect future Albertans from . . .

You guessed it.

. . . debt.

And just to finish:

We will introduce the necessary reforms to make sure that this province keeps growing. There is no other way.

There is no other way than to avoid debt.

Now, that was what the Premier said in October of 2011 after having just won the Progressive Conservative leadership in the months leading up to an election. That, I guess, is what I think most people thought they were voting for when they voted in March, because that is a pretty clear statement. That was the kind of statement she had been making for well over a year or well over six months as she began her campaign.

Then, of course, we see the evolution of the thinking on debt and the comments from the Finance minister, and it begins on Monday, May 28, 2012. As I've said before, we were already concerned that the government's budget estimates were off and that they needed to start taking action to do something about it. At that time a number of questions were asked of Mr. Horner, but one of the things he said on Monday, May 28, was: "We expect that we will be balancing the budget in 2013-14 as we committed, as we promised, Mr. Speaker."

**The Acting Speaker:** Hon. member, careful with the personal names.

**Ms Smith:** My apologies, Madam Speaker.

On Thursday, May 31, we kept at it, and the Finance minister said then: this "will allow us to finish the year on target in 2013-14 with the balanced budget."

Fast-forward. We got through the summer. October 23: we're back already, and what the Finance minister says is that "our commitment is that it [the budget] will be balanced."

Wednesday, October 24: "As I've said before and I'll say again, we will have a balanced operating plan, [and] a balanced capital plan." This is where we start seeing a little bit of division in the language.

Tuesday, October 30: "In fact, what we've said is that we will balance the budget, and included in that budget will be the funding of our capital plan like any responsible financial manager would do."

As you can see, there's been an evolution in what the government has said, but all the way up to the end of last session they were giving a very strong indication that what we would actually see is a genuine balanced budget and an economic plan that included a capital plan that would be fully funded. That's not what we got. It is remarkable how things have changed in such a couple of short months.

I do have to wonder that if this has been the breaking point for me, it's been a breaking point for a lot of our members here. A lot of our members here at some point in their past did also support the governing party. I just wonder what some of the breaking points are going to be for the members opposite. How can you actually run on one set of priorities and plans and promises and then less than a year later have to go back to those same constituents and be trying to argue that the budget that was put forward was actually part of the plan? That's what I'm sort of having some struggle with, Madam Speaker: wondering how they're facing their constituents, having actually done a complete 180 because that is what has happened on the approach that they've taken to the budget. There has been a complete 180.

If they're not going to listen to me, maybe they're going to listen to some of the commentary that has come out on this budget since it was first passed and first introduced and we started seeing some of the details.

3:20

This is Licia Corbella in the *Calgary Herald* on March 7.

While [the Premier's] government is trying to spin its projected \$451-million operational deficit as some kind of modern-day fiscal conservatism, this is sophistry, saying that operational spending "flatlined from the 2012-13 forecast." Everyone knows that last year's pre-election budget was wildly optimistic to the point of being little more than a fairy tale. Holding the line on spending based on the Alison in Wonderland budget is utter madness.

Rick Bell, March 8:

Even when it comes to the budget just for day-to-day expenses, the province's operating budget, that set of numbers is also in the red.

The operating budget is also in the red.

They were in the red in the 2012 budget year by \$1.4 billion.

We didn't find that out until just recently.

They will be in the red in the 2013 budget year by almost half a billion [dollars].

We haven't seen the province unable to balance their daily expense chequebook like this since back when Ralph took over

the reins, pledging to sort out the financial dog's breakfast of that day – and . . .

Let's remember.

. . . doing it.

This is a budget with pain and not a whole lot of gain: Don Braid from the *Calgary Herald*, March 8.

Finance Minister [blankety-blank] went almost bug-eyed Thursday explaining why one government needs three budgets, and why that should make the finances easier to understand.

Harried finance officials, when pressed, did acknowledge that the "old" system would show a deficit of \$1.97 billion in 2013-14.

Horner certainly doesn't deny . . .

**Mr. Anderson:** Oh. Blankety-blank.

**Ms Smith:**

[Blankety-blank] certainly doesn't deny that Alberta has a big deficit problem. He claims, though, that the triple-play budgets will produce clarity.

Mark Milke, *Calgary Herald*, March 8:

Post-1993, the . . . reforms laid out the bare facts, for good or ill, whether flattering to a government or ugly in the light of day.

On a go-forward basis, regardless of whether one wanted higher taxes, less spending, more borrowing or some combination, the books would at least make clear the state of the province's finances.

Post-1993, anyone with rudimentary mathematical skills could glance at a one-page summary, the Historical Fiscal Summary, in the back of the budget and get a clear sense of the provincial finances over the past several decades.

No more.

**The Acting Speaker:** Hon. member, I think that it would be a good idea if you tabled the documents that you're quoting from, please.

**Ms Smith:** I certainly will.

**The Acting Speaker:** Thank you.

**Ms Smith:** The *Calgary Herald* editorial, March 7:

. . . [If] John and Jane Q. Public want to know the answer to a series of simple questions: How much money will the government take in in the upcoming budget year; how much money will the government spend; and what's the deficit? The honest answer on Thursday took civil servants at closed-door briefings some time to come up with [the answer]: \$6.3 billion.

Graham Thomson, March 8:

We now have a budget that is arguably the most detailed, complex and comprehensive yet delivered in Alberta. It is also arguably the most opaque, obscure and cynical budget yet delivered in Alberta.

For the first time, the budget ignores the size of the overall provincial deficit. This is the number you come up with when you take actual revenues and subtract actual expenses. It's the simple money-in-money-out accounting that the government has used for decades.

Graham Thomson, March 9:

Redford didn't even fulfill the modified promise made just weeks ago to balance the operating side of the budget, which accounts for the day-to-day expenses of government. That deficit will be \$451 million.

Lorne Gunter, March 11:

"Besides," he added . . .

This is in talking to a loyal Tory supporter.

. . . "if Alberta weren't a good credit risk, banks wouldn't lend to us."

Oh, wouldn't they? Banks are still lending to Ontario and Quebec, and those provinces' finances may as well have been managed by untutored chimps for the past decade.

They're still lending to Greece, for crying out loud.

The government's own calculation of its deficit is \$1.97 billion. But that doesn't include a \$4.3-billion [for the] "cash requirement" for infrastructure construction. Since those added billions have to be borrowed, call the deficit \$6.3 billion.

And here's the last one. Bev Dahlby, *Calgary Herald*, March 12:

A case in point is the budget's reference to the new policy of "saving" \$5 billion resource revenues by 2016. However, the budget documents forecast that Alberta's net financial assets will [actually] decline from \$10.86 billion at the end of March 2013 to [\$5.1] billion by March 31, 2016. In effect, we will be "dissaving \$5 billion" . . .

And why is that?

. . . because we will be borrowing more than we are squirrelling away in the Heritage Fund and the newly renamed Contingency Fund. It is as if the government is pointing to the money that it is accumulating in its savings account while ignoring the even larger and growing outstanding balance on its credit card. No prudent household would delude itself into [thinking] that it is saving under those conditions. We should expect no less from . . . government.

If you don't want to listen to me, that's a good 10 commentators who've been following the budget for a number of years who have been saying the exact same thing that we are saying, that the path that the government is taking us down is fundamentally flawed.

Now, I know that when we raise the issue of the \$17 billion worth of debt that the government is going to rack up by 2016, the Premier and the Finance minister just evade it. They don't like to answer the question. But regardless of what else we see in this budget, let us be absolutely clear about what is being done in this budget. It is taking us back in debt in a massive way. It is taking us back in debt to levels that we haven't seen since the Getty era.

Let me just talk about how big this reversal has been in 10 short years. Premier Klein left his administration in 2006 with no debt and \$17 billion in the sustainability fund. Ten years later, when we are going back into the next election, we're going to have \$17 billion worth of new debt and virtually nothing in our savings accounts. What a dramatic – dramatic – reversal over the course of 10 years.

I've been trying to think of why it is that the Premier seems to say one thing and do another. I don't know. It could be the legal training that she has. She often comments that I'm not a lawyer, and she's right. What I think happens – and I don't think the Premier is a bad person, but I do think that she has the ability to see both sides of every issue. So part of the parsing comes in, and maybe it's the lawyerly training that she has. You can argue any side of any issue depending on who your client happens to be. That may explain why one day she is able to argue that black is black and then the next day argue that black is actually white.

I have a different background. My background is in economics, and in economics I've been watching the battle go back and forth. They call it the battle of the century between two different economic philosophies, the Keynesian philosophy and the Hayekian philosophy, the Keynesian philosophy being that you can just keep on borrowing to keep the party going, and when it looks like the economy is slowing down, you just keep borrowing some more. The Hayekian philosophy says that at some point when you've borrowed too much, you kind of have to rein it in, get your spending under control so that you can actually get real

savings so that you can have real investment and real economic development. There are a couple of videos that I often post from time to time, a little rap that's been done by actors, one representing the Keynesian position and one representing the Hayekian position. It's called the battle of the century. I'd encourage the members opposite to have a look at it because it is kind of a fun way of looking at what it is that we're actually battling about here. There really are two different ways that we can go forward.

If you don't want to look at that, I'll also be posting a really interesting YouTube video by a young girl by the name of Victoria Grant that's gone viral. I think she's 12 years old. She just spoke at a meeting of bankers recently about the Canadian situation and how as a young 12-year-old girl she feels that her governments are putting her on the hook to pay back billions of dollars not only in interest charges but in future debt payments. She makes a very compelling argument about why she thinks that just isn't fair. It's now got over 825,000 hits on YouTube. I'll post that, and the members can have a look at it. Both are great.

Let me do my best to make the argument about why it is that this budget goes so far off the rails and why it is a budget that we can't possibly support. I would hope some of the members opposite are feeling just as uncomfortable with this budget as we are.

3:30

The first problem is the issue of a lack of clear documents. One of my favourite pages I used to flip to whenever I used to go to budget lock-up, which I've been doing for some years, was the back page of the fiscal summary, where it would have the historical fiscal summary so that you could actually see, going back some 12 to 15 years, exactly how the government has progressed on its debt repayment, how it progressed on its savings, compare how it increased spending, how the revenues increased, compare the lines for resource revenues, so you could actually get an apples-to-apples comparison.

I mentioned to the Finance minister the other day that failing to restate the previous historical budgets using the new methodology is actually not in line with the generally accepted accounting principles, and I hope that does get corrected because I think that's very key. If we're going to see where we're at today with all the smoke and mirrors, with seven or eight different estimates about what the deficit is, we actually need to see what we're comparing today versus how it would be restated if we did it in previous years. That's one issue that we have.

The second major issue, though, is going back to the Premier's comments about how Alberta will not have a deficit. She was right in one strange way. We're not actually going to have one deficit. Since they've split the budget up into three different budgets, we're actually now going to have three deficits. We're going to have an operating deficit, something that the Premier even up until a couple of months ago was promising that we wouldn't do, an operating deficit that was massive last year but even this year is going to be half a billion dollars.

We're also going to have a capital deficit, and this is the number that the Finance minister and the Premier don't like talking about. Even though we don't have money left over to pay for all of our operating expenses, that's not going to stop them from spending and borrowing over \$5 billion to spend on capital. So that's another deficit. Then we've got this deficit in savings. I've already mentioned that, that we're actually going to have a lower amount of our financial resources after the next number of years by at least \$5 billion.

The other area is the level of debt by 2016. We're going to have \$17 billion worth of debt by 2016. I know that the Premier and the

Finance minister are doing a lot to try to argue that debt that government takes out is just like the kind of debt a family takes out or just like the kind of debt that a business would take out, but it's not, and let me explain a couple of reasons why.

In the first case, when a family takes out a mortgage, they do that once or twice in the course of a lifetime. When they take out a mortgage, they also don't take it out for such a long term that they hand it off to their kids and their grandkids to pay the mortgage back. The other thing that households typically do when they take out a mortgage is that they structure it in a way that they're paying a portion of the payment in interest and a portion of the payment in principal so that over time the amount of the principal gets lower and lower and so that the amount of the interest gets lower and lower, and you're getting more bang for your buck.

That's not how this government has structured its debt. The debt that it's taking out has absolutely no relationship to what they say that they're borrowing for. We've looked at the debt. It's structured on a variety of different terms. There is some that is, I think, out for seven years, some that's out for 20 years, some that's out for a little bit less. It's a variety of different interest rates, some as low as 1.6 per cent, some up to 4 per cent, which makes me curious about what future debt issues are going to yield since the government keeps bragging about its credit rating and being able to get debt at low figures. Four per cent doesn't seem like the kind of figure that I was expecting to see.

But the main thing is that in the way they've structured this, they don't actually pay down the principal on the debt, so when we get to \$17 billion worth of debt in 2016, they have to put money aside in a debt repayment account. It's kind of like a mortgage that is an interest-only mortgage with a single balloon payment at the end of it of 100 per cent. That's the kind of debt structure that the government has taken out. That's not the kind of debt structure a typical family would take out.

The reason this is problematic, the way they are doing this, is because it doesn't take much number crunching to realize that they are putting aside vastly fewer dollars than they need to be able to make that 100 per cent balloon payment in 20 years' time. This is a simple calculation. I know that there's a lot of dispute about the numbers, but I'd ask the members opposite to just take out their calculators, and they can do this simple calculation, too. If we have \$17 billion worth of debt in 2016 and we're going to pay it off in 20 years, you need to set aside at least \$850 million a year each and every year to have enough money in 2036, when it all comes due, to be able to pay it off. But if you look at the budget documents, that's not what's happening.

There is \$40 million set aside this year, \$112 million set aside next year, \$205 million set aside the year after that. The question has to be: what actually is the debt repayment strategy? It's one of two things. It's either that the government is still relying on some sort of dream windfall of oil and gas revenues, where they will get billions of dollars of additional unallocated funds, that they will miraculously in 2036 have enough to be able to pay down that debt. That's, I suppose, one option, but it's, I think, a flawed strategy.

The other proposed option is that there isn't really a plan to pay it off after all, that once we get to 2036, that debt will just be rolled over because we won't have enough money to be able to pay it off. What happens when you roll it over at that time? Who knows what the interest rates are going to be 20 years from now? But we have seen what happens with other governments who don't have a disciplined debt repayment strategy. When they do get surprised, when their bonds get turned over and interest rates have changed, all of a sudden what you were banking on for your interest payments can double or triple or more.

Just for context, if we're now looking at having entered into an era of borrowing without paying back, of rolling debt over for 20 or 40 or 60 years, the interest rates that we have had over the past 40 to 60 years have ranged from a low of .25 per cent to a high of 19 per cent. You cannot manage your budget with that kind of extreme volatility, that kind of fluctuation, that kind of interest rate risk. This is why we are going to continue to press the Premier on the \$17 billion borrowing plan, and we're going to continue to ask the question: at what point is she going to start putting aside enough money to make that balloon payment 20 years from now? The number that is in the budget is vastly short of what it actually needs to be.

On the issue of debt for business – that's the other argument that keeps getting made, that it's all right to take out debt because businesses take out debt – I talked to a couple of business owners about this notion. What they told me was, "Yeah, we'll often take out debt if we're buying a piece of machinery or a piece of equipment, and we'll want to be able to pay that back within five to seven years" because they don't actually want to be in a situation of perpetual debt. They take it out to be able to have that asset, to be able to generate income. That's not what's happening here. We're not looking to generate income from the construction of schools or hospitals. These are depreciating assets, and you can tell that just by looking at the government's books. They have said that they have \$72 billion worth of capital spending over the last number of years, but they don't have \$72 billion booked on our books as being an investment. They are depreciating assets, and when you're purchasing depreciating assets, you really should be purchasing them out of current financing.

The other aspect. This, again, goes back to why I'm so concerned about there not being an end point for when we're going to pay the debt back. Any family knows or any business knows, even if they're taking out a longer term debt, you don't want to amortize something over too long a period of time. You don't want to take it out and finance it over too long a period of time. We learned this lesson after the mortgage crisis in the U.S. They had had 35-year loans, and then they reduced them down to 30 years. They just announced recently they would reduce them down to 25 years. Anyone can do the mortgage calculation and figure this out, that the longer you amortize a loan, the longer you finance it, the higher your overall interest charges are. If you end up paying for assets today and you don't pay them back for 30 or 40 or 50 years, you end up paying double or triple the cost in interest payments.

You have to ask the question: penny-wise and pound-foolish, does it make sense for us to have a 10-year capital plan that we can afford to do on a pay-as-you-go model, which is what our proposal is in the Wildrose, or does it make sense to make the politically easy choice, which I believe the government is today, and actually sacrifice our ability to have more dollars available in the future because they're getting eaten up in interest charges?

3:40

This is not a small matter, especially when you look at where we're at in 2016. By 2016 we are going to be spending \$583 million in interest charges year after year after year because that's where the high-water mark is. Since they're not paying down any principal, year after year after year: \$600 million in finance charges. After four years you'd be looking at \$2.4 billion worth of finance charges. This is a huge amount of money that is just getting flushed and not going to any beneficial purpose for Albertans. This is another reason why we think that having a long-term capital plan that we can actually afford on pay-as-you-go avoids the danger of having all of those dollars diverted into

financing a level of debt for spending that happens once our kids and grandkids are paying it off, far into the distant future.

The last thing that I would say is that the approach we would take in the Wildrose is quite different, and this is the reason why we have gone forward and put out a couple of different documents. I'm going to leave this to my Finance critic to talk about in more detail.

There are two things that we have put out in the last number of weeks. Our 10-year debt-free capital plan – I think that the government may believe its own talking points, that the only way to have capital infrastructure built is by borrowing, but it's just simply not true. We look at capital as being core government business, a core function of government, and it should be built year after year into core spending. Our 10-year capital plan begins with \$4 billion worth of spending this year. It increases it over time, right with inflation, so that after the course of 10 years we'd be looking at over \$48 billion worth of spending without going into debt for it.

When I look at the government's capital plan, they're now doing the reverse. We actually see that they are at a high-water mark now, as they have been for some time, well above what other provinces are paying on a per capita basis. Our plan works in a per capita amount that's equivalent to other big provinces plus a 15 per cent premium. Their plan actually calls for a decrease in capital spending as we go forward. I have no idea where they're going to be going with capital spending after 2016, but that's the danger if you don't give any certainty to those who are involved in government procurement. Is it going to go up? Is it going to go down? It has been as low as 1 and a half billion dollars in the past. It has been as high as \$7 billion. We believe our 10-year capital plan is a responsible plan that gives that certainty to industry that they need.

Our Budget 2013 Wildrose financial recovery plan. We started doing this in 2010, and there were really three simple elements to it to get back into budget balance. One was to restrain year-over-year spending growth. The second was to have a 10-year capital plan that you could afford with a prioritized list and with an objective criteria for how that prioritized list was arrived at. That's why we keep asking the question to the Infrastructure minister, and we hope one day he'll actually produce it.

The last area is also cutting wasteful spending. I think you can tell that my colleagues and I are alarmed that the government seems to be taking the easy way out when it comes to finding spending efficiencies. Rather than going after those senior bureaucrats who are making over a hundred thousand dollars a year, layers and layers of middle management with their lavish expense accounts, we're hearing about cuts on the front line, whether it's to ambulance service in Strathmore-Brooks or whether it's to LPNs in centres in Red Deer or in Edmonton. That is not the kind of approach that we think is responsible, and it's not the kind of approach that a Wildrose government would take.

We do encourage the government to look through the 25 different recommendations that we have given for how we would be able to get back into surplus within two years, avoid the kind of capital borrowing that they're proposing, and also do so in a way that gets at the problem of overspending and waste in government without impacting the front lines. Unfortunately, from what I have seen of the budget document that the Premier calls a once-in-a-generation type of budget, I have to say that I'm disappointed. I'm disappointed that we did not see the Premier live up to the commitment that she made during the PC leadership. I'm disappointed she did not live up to the commitment that she made in the first statement that she made in the Legislature after she became Premier.

This is a budget that I can't support, and I'm hopeful that we can make some changes to it that will allow us to be able to move the government in the right direction. We've seen that happen in other jurisdictions. We've seen it happen at the federal level. We think that that is the job of the Wildrose opposition, and that's what we intend to do.

Thank you, Madam Speaker.

**The Acting Speaker:** Thank you, hon. member. I would remind you that during the appropriate time of the daily Routine tomorrow if you could table those documents that you were quoting from, please.

The hon. Member for Edmonton-Meadowlark.

**Dr. Sherman:** Thank you, Madam Speaker. I appreciate the opportunity to speak to last week's budget speech. This is a profoundly disappointing budget. I say that because it's both intellectually and morally bankrupt. That's why we call it a bankrupt budget. As the rest of the world is beginning to wake up to the fact that the way things have been done for the past 30 years is a complete failure, this PC government is either ignorant of this fact or choosing to ignore it.

The economic philosophy of so-called trickle-down economics is now thoroughly discredited. When it took the world by storm back in the early '80s, the promise was that by slashing taxes on the wealthy and the largest corporations, investment and economic activity would increase and that in the fullness of time the benefits would trickle down to middle- and lower middle-income folks. Well, if you've looked at the shocking levels of inequality that have arisen in every country where trickle-down economics has been tried, you can very clearly see that this has not happened. Adjusted for inflation, incomes for middle- and lower middle-income households have been at least stagnant, and the disparity of wealth between the rich and the rest has grown incredibly.

The wealthiest members of society and the largest corporations have done phenomenally well over the past several decades. For them trickle-down economics has been a great gift, and they have seen their wealth increase greatly. But how have the governments done? The governments are large and powerful entities, so they must have done well under trickle-down economics, right? Wrong. Governments around the world today are in a desperate state. Trickle-down economics has starved them of badly needed revenue to provide the services that their citizens need. As a result, they've been forced to go deeper and deeper into debt.

Now, finally, people around the world and even some governments are waking up to the reality that the only thing that trickles down to regular, hard-working folks are burdens. This PC government, however, refuses to face facts and, instead, has chosen to double down on trickle-down, which is one reason I say that this is an intellectually bankrupt budget. It's intellectually bankrupt for other reasons as well. The lack of vision, creativity, and oversight are others.

There is no sense of mission for Alberta in this document despite the government's fondness for rhetorical flourishes such as preparing Alberta for the future. Madam Speaker, how can we prepare Alberta for the future by cutting the education system of today, one of the biggest cuts in decades at a time of growth? What kind of future will that be? The government doesn't say, but looking at the books, it's clear that they remain committed to a course of continuing to squander our resource wealth and proceeding with a program to privatize or at least partially privatize vital public services such as education, health care, seniors' care.

This fetish for privatization is the insidious companion of

trickle-down economics. People have to understand that there is a cost of doing business, and then there's profit. Cost plus profit equals price, the price of public services to the taxpayer and the government and the quality of the service. If the price is higher, then the quality is lower if given through publicly delivered means.

There is no creativity in this budget, and that creativity is sorely needed, Madam Speaker. Don't look to this government for innovative approaches to fixing our vital services because you're going to be disappointed. Don't look to them to position Alberta to gain from the extraordinary new technologies which are already beginning to change our world. Take 3-D printing, nanotechnology, and robotics. This budget is silent on this. I would caution all members of the Assembly that societies that out-educate us today will outperform us tomorrow. The result may very well be that we find ourselves with a 20th-century economy while other provinces, states, and countries across the world blessed with visionary governments build 21st-century economies.

Forget about oversight, too. This is a government that doesn't want anybody to look too closely at what they're doing. Who can blame them when you consider the dire condition of education, health care, and seniors' care?

3:50

Madam Speaker, I said that this is an intellectually and morally bankrupt budget, so now I would like to discuss the moral bankruptcy of this document. What we are seeing from this government, quite frankly, is something that can only be called intergenerational theft. The cover of this budget might as well have one of those Ford bumper stickers on it which says, "We're spending our children's inheritance," or "Please, God, give us another boom; we promise to vote in a Liberal government." [interjections] Finally, they woke up on the other side. It's refreshing to know that someone's listening.

That's exactly what the PC government is doing. They're spending our children's inheritance. Over the past 25 years we have not saved a cent of our resource revenue. The trust fund stood at \$12.6 billion in 1986. Today it's about \$16 billion, plus or minus. They haven't saved one cent. They'll say: hey, we saved about \$4 billion. No, no, no. Our heritage savings fund is worth about half of what it was worth 20 years ago in real dollars. Now this government is taking us back into debt. Our heritage savings trust fund is worth a fraction of Norway's savings fund. Norway started in 1996, and they have socked away more than \$600 billion. I would love to see the interest that that fund generates. Madam Speaker, it's shameful that this government has not saved any of this money for future generations. They've literally spent our children's inheritance. They've stolen from our children and our grandchildren. They have spent every cent of oil and gas revenue as quickly as it came out of the ground since 1986.

The reason for this is the government's abandonment of fair taxation, a progressive taxation. Since giving up the progressive income tax for the 10 per cent flat tax in 2001, this government has lost billions and billions of dollars in revenue, and billions have been lost since the tax rate for large corporations was slashed down to 10 per cent. It's been a race to the bottom for taxes. Everyone knows you get what you pay for. If you want good public services, you've got to pay for them.

Albertans were told in a press release, Madam Speaker, that they would save about a billion and a half dollars a year in taxes. We did some research. Did you know that taxes were actually increased for the lower middle-income and lower income Albertans? They actually paid more tax, and the wealthiest paid less. So billions were saved by the wealthy few. Think about how



much money we could have to invest in a heritage fund or to invest in our vital public services if only we had fair taxation.

Madam Speaker, we ran on it. The Alberta Liberals ran on it last election. We were honest. I'll tell you that it's a tough thing to run on. I'm talking about taxes. Well, we were honest. Our predictions of oil and gas revenues were fair. The Liberal fair tax plan was a central plank to our platform, and I'm very happy to see that these ideas are resonating so strongly today. In fact, a recent poll found that 72 per cent of Albertans want a return to progressive income tax, and 77 per cent want an increase to big corporation income tax. Albertans have known this, and they've woken up. They want this from their government. The overwhelming majority of them now reject trickle-down economics in favour of tax fairness. The Alberta Liberals stand side by side with Albertans on this issue. It's central to the Alberta Liberal plan to save for tomorrow and repair the damage that the PCs have done over the last couple of decades.

The University of Alberta was once the 38th, 39th top-ranked university in the world. Now it has plummeted, so I'm told, to about 108th, and its budget is getting slashed. We once had one of the top-performing health systems in Canada, and seniors were looked after by community organizations. Those days are gone. Our K to 12 education system used to be strong, and now we have overcrowded classrooms, the fewest teachers per capita in the country, the highest high school noncompletion rate, the lowest postsecondary participation rate in the nation, and amongst the highest school fees and postsecondary tuition and mandatory noninstructional fees in the country.

Madam Speaker, imagine if all of our children actually decided to finish school because they saw a future, if they had affordable postsecondary education. Imagine how our classrooms would be bursting at the seams even more than they currently are. All of this is because the PCs consider education to be a cost, a cost to be cut, and that's how they're preparing for the future. All of the evidence in the world, though, shows that they are wrong. Education is an investment, and that's why the Alberta Liberals would invest in early education, invest in our public school system, and invest in postsecondary education. Let's get more teachers and more support for those teachers, and let's fix up the schools that we currently have and build the new ones that we need.

Our goal will be to make education affordable, accessible, and top-notch because we know that our investments will lead to better lives, better health, better jobs, a better Alberta, and eventually savings. In fact, it will save from costs in the health system and the criminal justice system and the social system. These are facts.

We also believe in investing in seniors' care and health care, two more areas which will continue to suffer from severe underfunding and creeping privatization under this budget. To save money – save money – this PC government first began to privatize it, and then they decided to cut the funding for home care and long-term care. When they privatized, we actually got less care for the same dollar. Now they even cut that. To save money, this government cut funding and staff for publicly delivered long-term care and opened it up to privatization as well. The result of all these savings? Seniors warehoused in hospitals, taking up acute-care beds even though they're not sick, resulting in agonizingly long waits in the ER, cancellations of your surgeries, cancer surgeries being cancelled recently, and ambulances sitting idle outside hospitals for hours. It's madness, all to save a few bucks. It's actually cost us our bucks and cost us our morality.

The Alberta Liberals would do things differently. Again, what the PCs consider costs we consider investments. That's why the Alberta Liberals would double funding for home care so seniors

could stay in their own homes and their own communities as long as possible with their loved ones and their families. This is why Alberta Liberals believe in investing in additional nonprofit, long-term care beds to moderate prices and ensure an adequate supply of affordable spaces. We believe this because it's the humane thing to do and, fiscally, the smart thing to do. Our seniors would stay healthy longer, it would free up hospital beds for those who are sick and injured, ERs would no longer be crowded, and ambulances could get back on the road. That's how you fix health care, and we'll save money. With an aging population, the problems this government has caused will only get worse if they stay their current course.

Solutions. You know, many people say that we have a spending problem, that we have a revenue problem, a mismanagement problem. You know what? We do have a mismanagement problem. We do have a wasteful spending problem. You've seen many examples. But we also have a major revenue problem. The Liberals do believe in good management and a return to that good management. It's time to cut the waste and make investments that lead to better outcomes for all Albertans, which would save money over the long-term, to boot. That's something the PCs have lost sight of.

We also believe that it's time to bring in big city charters, so Edmonton and Calgary will have the tools they need to tackle their own unique challenges.

4:00

These are some things we would do differently because it's time to govern smarter, more humanely, and for the benefit of all Albertans. Madam Speaker, trickle-down economics and privatization have not worked. They've hurt people. They've gutted the public services that Albertans rely on. This is why Alberta Liberals are so disappointed in this intellectually and morally bankrupt budget. The age of trickle-down is nearly over, and even if the PCs don't know it yet, the age of fairness and good government is around the corner.

Thank you, Madam Speaker.

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

Hon. colleagues, Standing Order 29(2)(a) is now available for anybody who wishes to comment or question. The hon. Member for Edmonton-Highlands-Norwood under 29(2)(a).

**Mr. Mason:** Yes. I wanted to ask the hon. leader of the Liberal opposition if he'd had a chance to finish his speech and if he wanted to say anything else in conclusion?

**Dr. Sherman:** I'd like to thank the hon. member for the opportunity to answer his question. Thank you, hon. member.

Madam Speaker, we looked at some facts and said: how did the government pay down all that debt in the late '90s? How did they do it? Well, one, they tightened the belt. Well, actually, they slashed and burned, and we're paying the price for that still today. In fact, did we ever pay down the debt? There's \$10 billion in unfunded pension liabilities, \$4 billion in deferred maintenance. And many responsibilities were downloaded. They were downloaded onto individuals, onto families, school kids and school fees, high tuition, and the fees and fines Albertans have to pay. They downloaded onto seniors, downloaded onto municipalities, that now have \$8 billion worth of debt. The municipalities have \$25 billion worth of deferred maintenance.

Also, not only were responsibilities downloaded. At the time the debt was paid there was a progressive income tax and the taxes on larger corporations were higher. In fact, Madam Speaker, there was actually an 8 per cent surtax on the wealthy in the late '90s by

Premier Klein. Did you know that? Well, I'm telling you that. The top tax rate was 12.76 per cent plus 8 per cent, so that's 20.76 per cent on the wealthiest of Albertans. That's how the debt was paid down. In fact, that tax plan is even more aggressive than the Alberta Liberal and NDP tax plans of today. Madam Premier, between Alberta and – or Madam Speaker. You would make a good Premier, possibly.

Madam Speaker, the second-lowest tax jurisdiction in the country taxes its citizens \$12 billion more than Albertans pay. If we had their tax structure, there would be \$12 billion coming in. The Alberta Liberals aren't suggesting we raise \$12 billion more. We're not even suggesting we take \$10 billion more or even \$8 billion or even \$6 billion. The Alberta Liberal fair tax plan is suggesting: hey, we can raise about \$2.7 billion a year more. If we brought back progressive income tax, that will bring in about \$1.9 billion more. Taxation for large corporations from 10 to 12 per cent: you know, they'll still invest, but 2 extra cents out of every dollar is not bad. That will bring in \$840 million. That's \$2.7 billion every year. Whatever the PC plan is, the Liberal plan is \$2.7 billion more. It's \$2.7 billion better.

**The Acting Speaker:** Hon. members, we have a minute and a half left. Is there a question or a comment from any other member?

**Mr. Mason:** I'd like to ask the hon. leader of the Liberal opposition if he'd like to finish. You'd better hurry.

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

**Dr. Sherman:** I'd like to thank the hon. member for asking me to finish. The Alberta Liberal fair tax plan will not only bring us the revenue that we need to provide the essential services that we need to build a better province for education and health care and our seniors and our municipalities, but we'll also start saving for the future. By next election the Alberta Liberal fair tax plan will bring in an extra \$8 billion.

Madam Speaker, I think I've said enough. Thank you for this opportunity.

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

The Member for Edmonton-Highlands-Norwood.

**Mr. Mason:** Thank you very much. It's an honour to rise and give my reply to the budget speech of the hon. Finance minister from last week. A few weeks ago my caucus and I finished our tour of this province, visiting seven cities and listening to dozens of individuals and organizations in a tour we called the broken promises tour. Madam Speaker, we weren't psychic in naming that tour. We had a very clear appreciation that the promises that were made in the Premier's leadership campaign and during the last provincial election would not be kept, and certainly, in our view, many were never intended to be kept.

Not surprisingly, one of the things that we heard time and again was that Albertans value universal and high-quality public services such as health care and education. Albertans also want a bright future for their children, which includes a clean environment. These are the values that the Premier tapped into during the last election when she and her party promised billions of dollars in promises that she would never keep, including stable and predictable funding for education, health care, full-day kindergarten, reduced waiting times in emergency rooms, improved environmental monitoring, and ending homelessness and child poverty. These are just a few of the billions of dollars worth of election promises.

However, just months before her first budget as Premier-elect she finally decided to tell Albertans the truth, that the PC government

would not provide the money to make these promises come true. Now in this budget, true to PC tradition, when times got tough, she did everything she could to protect her rich friends in high places, and instead of addressing revenues, she made cuts that disproportionately hurt working families, seniors, students, the vulnerable, and the environment. Madam Speaker, this is not acceptable.

Before I speak more about these broken promises, I'd like to pause for a minute to examine how the PCs under the last three Premiers brought us into this fiscal mess. Because of the absence of a concerted effort by this government to promote upgrading in our province combined with a policy of unfettered development at breakneck speed, a giant glut of low-value bitumen ran headlong into a large supply of sweet crude oil from the United States with predictable results. The government's rosy picture for the price of oil never materialized, and of course, neither did the Premier's promised billions in campaign promises. Sadly, last Thursday we found out that the Premier has not learned her lesson. We found out that the Premier's much anticipated promise of a new fiscal paradigm for our province turned out to be a combination of debt and service cuts. It's hardly a solution to our systemic problem of overreliance on nonrenewable resource revenues. At the same time, rosy projections for the price of oil once again mirror those of the private sector, who have a vested interest in predicting a high price of oil to attract investors and whose projections failed so miserably. We've been told that pipelines are the solution to all of our problems. It's interesting to note that the Premier's 2013 budget also projects price increases for our bitumen over the next two years even though I know of no new pipelines that will be completed and pumping oil by then.

The budget we have before us today is full of too many broken promises for me to name, so my caucus and I have chosen the top 10 broken promises as follows: number 10, not twinning highway 881 and slowing down the twinning of highway 63; nine, not increasing MSI funding; eight, failing to provide a grant program for aboriginal and rural students worth \$18 million; number seven, failing to provide fast-track emergency rooms at a cost of 2 and a half million dollars per hospital; number six, not providing the 2 per cent funding increase necessary for postsecondary institutions at a cost of \$650 million; number five, not providing the 2 per cent funding increase for schools in each of the next two years.

That I think deserves a little bit of comment because it's a particularly vulgar move given that so much of her support during the election came from teachers who, sadly, gave her their trust after she returned the \$100 million that had been removed by Premier Stelmach's government. I don't believe that stable and predictable and sustainable funding is too much to ask for our children

#### 4:10

Number four is not providing the 4.5 per cent increase to Alberta Health Services for each of the next five years. Broken promise number three, the absence of a five-year plan to eliminate child poverty and a 10-year plan to reduce poverty. Broken promise number two, not providing full-day kindergarten. Number one on the list of broken promises was a promise that "a new PC government will deliver a balanced budget by 2013 with no new taxes and no service cuts," taken directly from the 2012 PC campaign platform.

This list is a testament to the Premier's broken promise that there would be no service cuts. For the record I should note that the Premier has not even kept her promise to not raise taxes. This budget outlines a plan to eliminate the education property tax assessment program next year. This program helps seniors, many

on fixed incomes, pay their property taxes. Our seniors built this province, yet shamefully, many still struggle just to meet the basics of life and to stay in their own homes. By eliminating this program, seniors' tax bills will go up in order to pay for this government's incompetence.

Which brings me back to the ultimate problem faced by this government, that they will not recognize that we have a serious structural revenue problem in this province. For years the government has subsidized a low tax regime for the wealthiest and the corporate sector through windfall oil royalties. As a consequence, it has foregone billions in revenues and blown through billions more in potential savings with little to show for it but for the growing income inequality, which is common for states with low taxes, and therefore poor social programs.

Let's pause for a moment to consider Norway. Equivalent in size in oil reserves to Alberta, Norway's equivalent to the sustainability fund is over \$600 billion. It is one of the largest investors in the world, and it rose in value by 13.4 per cent last year. Its fund is now 40 per cent bigger than the value of the entire Norwegian economy, compared to ours which by the end of this fiscal year will be a pitiful \$691 million.

The government argues that we need a low tax regime to attract investment. The reality is that the oil companies come here for our oil, not because of our tax rates. The vast majority of oil profits in this province have simply walked out the front door and into the hands of large corporations in the United States where, it should be noted, corporate taxes are much higher and any difference between foreign taxes and U.S. taxes goes directly to the U.S. government. So low Alberta taxes mean nothing to these corporations anyway.

Let's not forget that our revenue problem stems first and foremost from the Klein era cuts to wealthy corporations and his rich friends. This Premier's unwillingness to address the structural revenue problem caused by this short-sighted move ultimately has its roots in the political climate of this province.

We need to take a look as well, I think, at the position of the Wildrose Party because its role is to push the PCs further to the right. It's clear that the PCs are not prepared to stand up to their right-wing cousins on very important questions. They cannot be trusted to protect Alberta's social programs from the kinds of cost-cutting advocated by our friends in the Wildrose.

Both parties believe that we have a spending problem that needs to be solved. The Premier's solution is to borrow money until the price of oil goes up. Ultimately, despite any good intentions, she will always find herself moving to the right in order to appease her former colleagues. In fact, Madam Speaker, I'll point out right now that I'm the only leader of a political party in this House that has not formerly held a Progressive Conservative Party membership, something of which I'm very proud.

For the Wildrose only more Klein-style cuts will do. But, my friends, this will not solve our problem. Even the Wildrose with their alternative budget could not achieve a balanced budget for the year. Madam Speaker, if the Wildrose with their draconian cuts can't balance the budget, then nobody can.

That, Madam Speaker, to me is the clearest evidence yet that we have a structural revenue problem in this province and that we are unable to afford the basic social programs that we want to see in this province because we are too dependent on volatile royalty resource revenue.

When natural gas prices were at their height, Alberta was taking in \$8 billion a year in windfall royalty revenue from natural gas alone. At that time the Klein government cut corporate taxes, and they imposed a flat tax, which was a giant tax giveaway to the very wealthiest of Albertans. As such, they walked away from

billions of dollars of revenue. It was easily made up by gas royalty revenue at the time, but that revenue is no longer there, and we're now in the position, long since predicted not just by us in the NDP but by other experts, including the government's own Emerson panel, where when the price of oil drops, we're laying off teachers and we're laying off nurses. Madam Speaker, we can do better. As a province we have to do better.

When we combine the Premier's elitist and out-of-touch cuts with the Wildrose budget, with its failure to slay the budget deficit, we see that cuts to spending are not the answer. We see that we do in fact have a revenue problem that must be addressed once and for all. At the end of the day, things like the number of teachers in our classrooms and the number of doctors in our emergency rooms should not be determined by the price of a barrel of oil. They should be the result of stable and predictable funding, that does not vary unpredictably from year to year. Albertans should not be asked to move backwards on account of this government's mismanagement, nor should they be coaxed into voting for another right-wing party, that will only offer more of the same.

Albertans are ready for a real alternative, Madam Speaker. During our broken-promises tour we heard from Albertans from all walks of life who understand that quality public services are good for society and good for the economy. They told us that it's time for wealthy corporations and rich Albertans to pay their fair share. They understand that for far too long this government has neglected to act like owners of our resources and has collected far too little in royalties. They are tired of a PC government that looks to balance the books on the backs of seniors, students, the vulnerable, and our environment, and they're leery of a Wildrose Party that promises more of the same.

Madam Speaker, only the New Democratic Party stands up for fairness in this society to ensure that we have the financial ability to deliver the services that Albertans want and to do so by distributing the burden of paying for those services fairly. Only the New Democratic Party offers a real alternative to the Wildrose and PC vision.

Thank you, Madam Speaker.

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

Standing Order 29(2)(a).

**Mr. Anderson:** Although I am heartbroken, Madam Speaker, that I have not yet convinced this hon. member that a Wildrose government is in the best interests of Albertans, I would like to know for sure if he has anything else to say on the subject matter given the importance of this once-in-a-generation budget.

**Mr. Mason:** Thank you very much, hon. member, and I'm sorry to break your heart.

I want to just suggest that I have never seen a government get elected on such a false platform as this one has. I have never seen a government so cynical that it will deliberately promise to end child poverty and then attack the very programs that support children in need in our province. This government has set a breathtaking example for all of us of cynicism and the misleading of voters, and I believe that the voters will not forget this. Voters have very short memories sometimes, but this particular betrayal of the very people that supported this Progressive Conservative Party to form another government will not be forgotten, and this party will pay a price.

**The Acting Speaker:** The hon. Member for Rimbey-Rocky Mountain House-Sundre.

**Mr. Anglin:** Thank you, Madam Speaker. I realize the hon.

member may be a heartbreaker, but I was wondering if he'd like to comment on some of the issues dealing with outrageous expenses: a hundred million dollars for executives at Alberta Health and so on and so on.

4:20

**Mr. Mason:** Happy to do that. There's no question that this government wastes money and allows money to be wasted. I've never been one to allow the Conservatives to have a monopoly on fighting for public dollars to be spent well and effectively, and I think that there's much that could be done. But I do not think that you're going to solve the structural financial problems that this province faces by cleaning up some of the messes that the Tories have created in terms of overspending on expenses and wages and so on. I think that's clear.

I know that in the Wildrose alternative budget they talked about mandating a 20 per cent rollback in the salaries and wages of non front-line staff. That's the kind of thing that I don't think we should be doing in order to balance the books. We should be making people who don't pay their fair share in our society pay their fair share. I know that the Wildrose takes the view that there should be no tax increases, and that is now reflected as well in the position of their estranged siblings across the floor. [interjections] Well, I think that they're all from the same family, but they don't get along very well, hon. member. At least, that's been my observation. I think that that's pretty obvious.

I don't think that we can tackle the financial problems of the province unless we make sure that everyone pays their fair share. The assumption that taxes shouldn't go up is fine, but it doesn't answer the question of whether they're at the right place in the first place and for whom. It's not taxes for the middle class because middle-class families pay more in taxes under the flat tax than they do in other provinces. I think that if we put a progressive tax in, we'd actually lower taxes for middle-income taxpayers while making sure that people who can afford to pay more do pay their fair share, so I think that getting rid of a flat tax is fundamental.

I think that in a province like Alberta we don't need really bottom-of-the barrel corporate taxes either. I think that some of the corporations post annual profits in this province that exceed the budgets of middle-sized countries, and we're not getting the fair share of that wealth, which is created by all of us in the province, not just by the brilliance of the investors. That's maybe a philosophical difference between us, but I think that unless you tap that wealth in the province, we won't solve our problems.

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

The hon. Associate Minister of Finance.

**Mr. Fawcett:** Thank you very much, Madam Speaker. It's an honour today to rise to speak to Budget 2013. Before I get started, it's definitely an honour to speak to it as the Associate Minister of Finance. I can attest first-hand to the hard work and dedication that goes into putting together one of these documents. I want to take the opportunity to thank all of the staff and members of Treasury Board and all the staff in Treasury Board and Finance for their tireless work. I know that the months leading up to delivering the budget saw a tremendous amount of effort, a lot of late nights, a lot of hard discussions, hard decisions, and it was very obvious that that was reflected in this document.

I want to start off this speech of mine, Madam Speaker, and have a little bit of intellectual honesty around some of the comments that were made. First of all, the Leader of the Official Opposition went through a fascinating historical vignette that I

think, frankly, was a bit revisionist and left out a significant portion of critical pieces as to why we got here. She applauded her support of a former Premier, Premier Klein, and what he did for this province. I can sit here as the member for the constituency of Ralph Klein, representing the area in the city where he was born and raised, and say that I'm proud of where Premier Klein put us, proud of all the colleagues on this side of the Legislature that worked with him and went through making those tough decisions.

However, let's be quite honest. While Premier Klein and that government did do a fancy, splashy announcement that they had paid off the government debt, there were decisions made later on in his mandate to go forward with P3 projects. P3 projects, Madam Speaker, are significantly different from what this opposition says that they want to do, and that's the pay-as-you-go concept. P3s are an agreement, a contract with a private consortium where they go out and get the financing, and we contract to pay back that financing and the principal over time. That is not pay-as-you-go. That was first instituted under Premier Klein.

Also, let's talk about where Premier Klein was and where he eventually got to. In 2007 Premier Klein essentially admitted that they had a challenge on their hands, essentially admitted that the government had no plan. In fact, these were his comments. "They were right about [us] not having a plan. The plan is being developed, but no one could anticipate the phenomenal growth that was taking place."

Madam Speaker, one of the reasons why I really do respect former Premier Klein is his ability to admit when he has made a mistake, his ability to say: hey, we should actually change courses here. This, in my mind, is the ability that when this province is experiencing the growth that we're experiencing, maybe we should think outside of the box, outside of the ideological thoughts that sometimes constrain all of us, no doubt, about what it is that we need to do to move this province forward. That's what Premier Klein was talking about. It's my guess that it was that kind of thinking that made him think about the concept of P3.

The Leader of the Official Opposition for whatever odd and absurd reason decided to compare what we're doing to the situation in Greece, okay? Let's be honest here. Greece has a debt-to-GDP ratio of 145 per cent. At the end of this three-year fiscal plan the debt-to-GDP ratio in Alberta will be 5 per cent. Five to 145. Let's get real, folks. Let's have some intellectual honesty about what we're talking about here.

Madam Speaker, she then mentioned that this budget lacked clarity, that it had three different components or whatever. She must totally not get municipal budgets, then. It might be very obvious when she talks about her commitments, but go to any municipal financial statement, and it's broken down out into an operating budget and a capital budget.

I actually went and looked at the 2011 – it was the only one I was able to find – city of Calgary budget. In their operating budget, much like it's in our operating budget, they have their expenditures on capital debt servicing. It's 10 per cent of their operating budget. What we've put in place is a limit for capital debt servicing costs to be capped at no more than 3 per cent. Again, Madam Speaker, that's incredibly prudent, and this is going to allow us to continue to move forward.

Again, the opposition put out a document last Friday, 24 pages which, when you take out the pictures, could probably be distilled down to about six pages. I'm not sure that it reflects a financial document much more than a grade 2 picture book, but I digress. You know, Madam Speaker, the point that I'm trying to make is that in that document they've suggested that they would limit capital spending to about \$4 billion, about \$1.2 billion less than

what this government is planning to spend, okay? I can even accept that they might not want to spend money on carbon capture and storage or complete the federal building construction. I can accept that, and we could agree to disagree on that.

But what I challenge this opposition to do is to take the government priority list that's in this document, that's on the Infrastructure website, and list for Albertans a billion dollars' worth of projects that they will not build this year. I challenge you to do that. I challenge you to table in this Legislature tomorrow a billion dollars for those projects that you won't be able to build. Hey, it's fine to talk in platitudes about spending too much money, Madam Speaker, but when you actually have to make some tough decisions, let's see if they're able to go out and do that.

4:30

I tell you what, Madam Speaker. What I did and what the Minister of Finance did at the request of the Premier was go out and talk to Albertans over the last number of months. We went out to talk to Albertans about what their priorities are, how they want us to spend taxpayers' money, and what they want the budget to look like. I could tell you that it was undeniable. People wanted us to continue to invest in the infrastructure growth that this province is demanding. You know, the Leader of the Official Opposition stood up just the other day and gave an eloquent speech about how we're leading. [interjections] They're right; we should celebrate this. We're leading in economic growth. We're leading in employment growth. We're leading in investment. We're leading this country, and we need to continue to invest in the infrastructure that facilitates that economic growth and facilitates the quality of life that we deserve as Albertans.

One more piece, Madam Speaker. It's very interesting that the Official Opposition wants to talk about promises that were made during the election and whether they're kept or not. I challenge them to come up with some sort of explanation as to why, if you take their 2011 document and how much they say that they would spend and you compare it to their 2013 document that they released, the combined rate of spending that they're proposing is 10.7 per cent when inflation and population growth over that period are only 7.9 per cent. I don't get it. Pledge 1 of their election platform said that they were going to bring in a law to limit government spending to inflation plus population growth. They can't even deliver it in their own alternative budget. Not only that, but compare the 2011 actuals in this document to the . . . [interjections]

**The Acting Speaker:** Hon. members, the Associate Minister of Finance has the floor.

**Mr. Fawcett:** Compare the 2011 actuals in this budget to the estimated 2013 spending and government spending that this government has proposed over that . . . [interjection] Madam Speaker, that member has got his time to get up and give his speech. I'd more than welcome that, but I do have the floor.

I would say that increased government spending by this government over that period of time is actually 5.9 per cent, okay?

The problem is that this opposition, every year that they bring up their alternative budget, likes to say: well, we're limiting spending to inflation plus population growth. But what's built into the base of that is the previous government's spending projections. The way that this works, Madam Speaker, is this. They put out a graph that says: had the government stuck to inflation plus population growth over the years, they'd be spending I think it's like \$7 billion less or whatever it is. If you guys believe that that's the prudent way, take \$7 billion out of this budget. Show us how

it's done. But you haven't presented anything that shows that. You're all full of rhetoric and hot air.

Madam Speaker, that brings me to this budget. This is a budget that delivers on the priorities that we heard during the election, that we heard through the consultation where the Finance minister and President of Treasury Board and I went out and did and talked to Albertans. We talked about needing to control spending and needing to limit spending. Like I said, inflation plus population growth over the last two years is 7.9 per cent in this province. This government is at 5.9 per cent. They propose 10.7 per cent. So we're doing some very tough things around public-sector salaries. It's never . . .

**The Acting Speaker:** Hon. minister, we have a point of order called.

The hon. Member for Airdrie.

#### Point of Order Clarification

**Mr. Anderson:** Just because we don't want to incite disorder under 23(h), (i), and (j). We don't want to incite a riot in here, so we may as well just clarify right now that the member opposite's numbers on what we would spend . . .

**The Acting Speaker:** Your citation, please.

**Mr. Anderson:** Citation (h), (i), and (j).

**The Acting Speaker:** Thank you.

**Mr. Anderson:** Just to be clear, as we say in our alternative budgets every single year, we go with the government's revenue and expense as a baseline so that the media and the public can compare apples to apples to apples. Every year they've raised spending by a considerable amount, so we've had to increase that baseline. Obviously, we wouldn't want to cut front-line positions.

I just want to make sure that there's a clarification there.

**The Acting Speaker:** Hon. member, this was not a point of order. This was a point of clarification. You'll have your opportunity under Standing Order 29(2)(a) to say that.

Hon. associate minister, we did hold the time, so you have the time to complete.

#### Debate Continued

**Mr. Fawcett:** Okay. Thank you very much. We have had to make some very tough decisions in this year's fiscal plan. We have made the decision to freeze the salaries of public-sector managers as well as looking at freezing and limiting salary growth in other areas in the public sector. This makes up a huge portion of the provincial budget, Madam Speaker. You know, it's not that this is a war against teachers or doctors or nurses or whatever. It's doing what's proper so that we can maintain a respectful level of public service that is sustainable in the long term. Those aren't easy decisions. We appreciate every day the work of all of our teachers and doctors and nurses and all the other people involved in making sure that our province has the best public services. We appreciate that.

I can tell you that sometimes governments, like the private sector, have certain economic realities. I know that my wife, who works in the private sector, has had her salary frozen for three years. This year the company finally started doing well, and they gave her a raise. I can tell you that I do know she does keep an eye

on the job market for what she does, and her comments are around how some of the public-sector jobs with her equivalence of experience pay much higher than what you would be able to get in the private sector, Madam Speaker. There's nothing wrong with that. It's a concern that the government needs to address as part of controlling our spending and living within our means. That's what this budget does.

It also looks at being strategic around how we're spending money so we could spend smarter. There are a number of changes in the health care budget, whether it's around family care clinics, better utilization of health care professionals, how we're dealing with our pharmacare plans, things that will allow us to bend the cost curve on health care spending because we know it's by far outpacing the rest of government. But we'll do so in a way that continues to keep the integrity of what we cherish as Albertans, and that's our public health care system. So these are the priorities that we're investing in, Madam Speaker.

I just want to make a couple of final comments. In this budget as well as in what was tabled in the Fiscal Management Act, that I will talk about later, is something that I've long advocated for and something I've always been concerned about since the day that I got elected, and that's our neglect of the Alberta heritage savings trust fund. I think that this is something that Albertans need to invest in. I'm proud to say that this government under the leadership of this Premier and this Finance minister has tabled a plan that is consistent with the principles of everyday Albertans, and that is that you pay yourself first. That's how we're going to grow the Alberta heritage trust fund, not by leaving it to the whims of surplus money. I do not agree with it. This is a better plan to grow that fund, and we are going to do that.

Finally, my last comment is on the taxes.

**The Acting Speaker:** Thank you.

Standing Order 29(2)(a). The hon. Minister of Justice and Solicitor General.

**Mr. Denis:** Thank you very much, Madam Speaker. Far be it from me . . . [interjections]

**The Acting Speaker:** I'll have a point of clarification from the parliamentary secretary.

I have been told that the practice is to go back and forth, so we'll get you next, hon. minister.

The hon. Member for Airdrie.

**Mr. Anderson:** Thank you. I have three questions. I'll make them brief so that you have time to answer them all.

I'm glad that you're so proud of the Klein legacy. I'm so proud of it, too, that I'm actually fighting to keep it while it seems that that party over there is fighting to flush it down the toilet.

4:40

However, this member made a comment about how awful or how ridiculous the comparison that was made by the Leader of the Official Opposition was, how ridiculous it was to compare Greece and the crisis in western Europe to Alberta's situation, how awful and terrible that was, just an absolutely gross exaggeration. I have a quote from the past AGM here from the Premier. The Premier said:

We have all heard of the crises in Europe. Debt is the trap that has caught so many struggling governments. Debt has proven the death of countless dreams.

Hon. associate minister, are you saying that the comments of your Premier are ridiculous, clouded, pathetic, and stupid?

**Mr. Fawcett:** Madam Speaker, that's not what I'm saying at all. Actually, I think the comments of the Premier should be heeded, and I think we should pay attention to that. I think her comments are more along the lines of: government should be wary of racking up debt-to-GDP ratios that are extreme and unsustainable. One hundred and forty-five per cent to 5 per cent is not comparable. This is why we put in place the 3 per cent cap on debt servicing costs for operating. There are certain risks involved in taking on debt. There is no doubt about that. One of the risks is increased interest rates. However, this rule hedges us from that because if your interest rates go up, you're still capped at the 3 per cent, and it will mean that you will be able to take on less debt. The point is – and I don't care where you go; you know, I've got a number of quotes here, and I seem to have lost my sheet – that smart debt, when managed prudently, can be a very, very smart thing to do.

I've got a picture here: construction begins on Airdrie schools. It's the hon. Member for Airdrie. He's got a shovel in his hand, turning some sod. It's hard to tell, but I'm pretty sure he's got a pretty big smile on his face. He's opening a school or turning sod on a school done on a project that is essentially debt financed. Again, if this member is so opposed to the government debt financing key infrastructure projects, I don't know why he supports these things with such a smile like he has in this picture.

**The Acting Speaker:** The hon. Minister of Justice.

**Mr. Denis:** Thank you very much, Madam Speaker. Far be it from me to engage in lawyer-speak here, but I just do want to quote the leader of the fourth party, who was talking about taxes. I've always felt that the . . . [interjection] Again, this is for question and comment if the hon. member with his heckling doesn't understand.

Madam Speaker, we have a flat tax rate of 10 per cent. I'd like this member to comment on how, even though we have a flat tax rate of 10 per cent in fact, it is proportional, for that member's edification.

**The Acting Speaker:** Thank you.

The hon. minister.

**Mr. Fawcett:** Thank you very much, Madam Speaker. I did want to talk a little bit about taxes because I am proud that this government has tabled a budget with no tax increases, no additional taxes, that has the lowest taxes in Canada, and is part and parcel of the economic environment that leads this country, as I mentioned. As the hon. Member for Edmonton-Meadowlark suggested, we have a tax advantage as Albertans of \$12 billion. That's \$12 billion that's in the pockets of Albertans and in their savings account. I'm proud of that. I know members on this side of the House are proud of that, and probably a few over there are proud of it as well. What I will not support – and I've heard this kind of rhetoric come out from over there – is a government that decides to go and take money out of Albertans' savings accounts just to put it in the government's savings accounts.

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

The hon. Member for Airdrie.

**Mr. Anderson:** Now everybody has woken up. That was great. I applaud the member for his passionate defence of the indefensible.

Madam Speaker, in question period last week the Premier showed a clear, stark difference between the current government and those of us in the Official Opposition. It had to do with the role of government in Alberta's economy, and indeed it had to do with each and every Albertan. Alberta has a proud history, as we

know, as our nation's economic powerhouse, greatest job provider and financial contributor, and as a first-choice destination for people around the world to make home. We all know our province's extraordinary track record as a beacon of opportunity and prosperity.

But here is where the views part, Madam Speaker. As the Premier said last week, she thinks the Progressive Conservative government built the successful economy. Well, we in the Wildrose know . . . [interjection] The House leader thinks the PCs built the economy. We know this: we in the Wildrose believe Albertans built our successful economy. Albertans took the risks, started the businesses, tapped into the vast oil and gas resources we have been so profoundly blessed with, invested in research and development, provided the jobs, grew the communities, and put Alberta in a league of its own as a national and international leader, a role model of achievement. It was Albertans that did this.

Albertans also endorsed low taxes and responsible fiscal management. This was why Premier Ralph Klein was such a popular leader during the '90s and early 2000s. Albertans wanted a provincial government that made disciplined and prudent choices focusing on priorities, so they chose a Premier that reflected those wishes in Premier Klein. Does anyone really think that Don Getty would have been re-elected in 1993 had he run? No. Albertans made it clear that he and his party would have been removed from government for their debt-happy and irresponsible, spendthrift ways. Albertans demanded change to fiscal restraint, and they got it.

Because of Albertans' choices in this regard combined with our incredible blessing of unlimited natural resources, Alberta enjoyed unprecedented prosperity and wealth. As recently as 2007 the provincial government was debt free, posting 13 consecutive surpluses of more than a billion dollars a year and taking in ever-increasing revenues generated by the ingenuity, activity, and innovation of Albertans. In that year Alberta astonishingly doubled the Canadian and U.S. rates of GDP and experienced its highest job growth in 25 years. All that prosperity delivered consistently increasing revenues to the provincial treasury.

Then came the last five years and, in particular, the last two. Despite the unprecedented wealth over the past five years Alberta's PC government has shown itself to be quite possibly the most fiscally incompetent regime in Canadian history. Instead of prudently managing booming revenues, adhering to disciplined maintenance of the heritage savings fund, and ensuring government expenditures are focused on needs rather than on wants and political whims so that priority programs are actually sustainable into the future, the PCs have squandered Alberta's wealth, depleted its savings, created a structural deficit, and now have plunged the province back into long-term structural debt. Literally billions of dollars have been and continue to be wasted on subsidies to private businesses and pet projects, on exorbitant pay and perks for politicians, executives, and political insiders, funneled to political parties for partisan purposes rather than to front-line public services, and lost in layers upon layers of bloated administration and management.

Now, the government is going on an unprecedented borrowing binge that would make Premier Getty blush. After five deficit budgets in a row they just revealed their sixth despite a balanced-budget promise during an election only one year ago. They are plunging the province back into debt to the tune of \$17 billion by the time we go back to the ballot box in 2016. They are breaking promises to Albertans as fast as they can make them, making the budget and quarterly updates as difficult as possible for the media and the public to decipher in order to obscure the scale and magnitude of their financial mess. They have put Albertans and

their children into the position of facing billions upon billions in debt interest payments as the years move forward.

4:50

They aren't being honest with Albertans about the deficit. The clearest way to understand the real deficit is to focus on the bottom line, the real cash deficit. The real cash deficit reflects how much in savings is being depleted and how much debt is being accumulated in a given year. It states exactly how much more the government is spending than it is taking in. While the Alberta government claims an accounting deficit of \$2 billion in Budget 2013, when you add the amount that is drained from our sustainability fund and the new borrowing for just capital, only capital, in this budget, this year's real cash budget deficit is at least \$5.5 billion. Most other commentaries have it even higher than that, but we're being kind to the government, as we often are.

The government tries to blame its self-inflicted predicament on declining revenues and the oddly named bitumen bubble, but these explanations, like so much of what the provincial PC government says these days, just aren't true. There is no revenue problem. Including this 2012-13 fiscal year as well as virtually every year previous to it going back over a decade, our government takes in more income and corporate taxes per person than any other province in the country.

As stated, the provincial government enjoyed not a near record, not a great year but a record year for revenue in 2011-12, and in the current 2012-13 fiscal year revenues are projected to come in above the five-year average, at levels similar to those in the boom years of the mid-2000s. The truth is that the Alberta government takes in more overall revenue per capita than the three other large comparable Canadian provinces of B.C., Ontario, and Quebec. This government might lament that resource revenues are billions lower than they'd hoped, but no other province would consider \$7 billion to \$8 billion in royalties anything but an unprecedented boom.

The bitumen price differential, that the Premier and other government members say that just no one saw coming, has always, Madam Speaker, existed. In fact, at the time of the Premier's recent TV infomercial, that cost \$55,000 to tell us what we already knew, the differential was virtually the same – the same – as a year earlier, when she was busy making billions in irresponsible and unbudgeted promises to win an election. Moreover, the overall 2012 differential was only slightly above the average of the last seven years. Clearly, we must work to build the pipelines we need to the U.S. and other key markets, but this is in no way a new problem. The Premier was telling a story.

Our budget problem is the culmination of years of irresponsible governments. The provincial government and the entire public-service infrastructure is predicated on \$100-a-barrel oil prices just to barely cover them. Anything less and the province cannot pay its bills. In the 10 years preceding this latest budget, the government raised spending by 100 per cent. That's double the rate of inflation plus population growth. This Premier's first budget increased operating expenses at the staggering rate of almost 7 per cent, or \$2.4 billion. This year they were forced to hold the line on spending. Unfortunately, when you need to lose a hundred pounds, zero just ain't quite enough.

But perhaps the most startling and glaring example of the government's reckless mismanagement is the state of the provincial government's savings funds. The sustainability/rainy-day fund, worth \$17 billion just five years ago, is gone, nearly wiped off the map. The Alberta heritage savings trust fund is worth less today than in 1976, when Premier Peter Lougheed first created it. To put this in perspective, that fund would be worth

today \$137 billion had annual interest earned since 1986 just been left alone in the fund instead of put into general revenues. We wouldn't have even had to add a cent of resource revenues from 1986 on. Just trust in the power of compound interest to get us where we wanted to go and \$136 billion would be in the heritage fund today. Incredible squandering of wealth. Instead, today it's worth a paltry \$16.4 billion. It is quite possibly, literally and figuratively, the most stunning and incompetent record of fiscal mismanagement in our province's and our nation's history.

Where has all the money gone? It's gone to corporate welfare for some of the world's most profitable multinationals, who happen to be big political donors. It has gone to political insiders and patronage appointments; to government executives and managers who receive bonuses for failing to meet targets or for barely meeting targets they set themselves; to exorbitant expense accounts, butlers, car detailing, lavish lunches, and other perks for political appointees; to spin doctors, pet projects, and new MLA offices; to carbon capture and storage; and to the most bloated and expensive bureaucracy in the entire country.

Politicians who say one thing and do another – they've received a lot – who give themselves pay raises right after elections, sometimes behind closed doors, and then have the gall to say that they didn't give themselves a pay raise: those same politicians then tried to claim hard times and expect everyone else to tighten their belts. [interjection] I know that hurts, House leader. I know that last one hurt. Clearly, this predicament can no longer be solved overnight.

In each of the previous three years the Wildrose made an alternative balanced budget proposal in order to show Albertans what we would have done to balance the budget. Because the financial hole this government has dug us into is now so deep, we could not honestly promise a balanced budget this year without impacting programs and services that are important to Albertans. We promised during the election that we would not cut the salaries or positions of front-line workers in education, health care, policing, and other key social services and supports, and unlike this government, we will not say one thing and do another.

This year we have proposed a two-year Wildrose financial recovery plan because that is what Alberta needs now. Our plan will eliminate the operating deficit immediately in Budget 2013, eliminate the real cash deficit of \$5.5 billion by 2014, return the provincial government to structural surpluses, institute a long-term spending and savings plan to ensure sustainability of priority programs and services, and protect the Alberta advantage with no new taxes or tax hikes.

The government always asks us: where would you cut? We always answer, and they always deny that we answer, so I will repeat it again for everyone to hear. Where would we cut? Well, listen up. We would start at the top. We would roll back cabinet pay by 30 per cent to pre-2008 levels. We would cut the more recent 8 per cent pay raise for MLAs. We would eliminate minister-without-portfolio positions and reduce the number of ministries to 16 while reducing the LAO budget by 10 per cent and the public affairs propaganda bureau by \$10 million.

We would implement a \$50 billion, 10-year debt-free capital plan that would prioritize capital projects based on community needs, not politics, on a list that would be publicly available to all Albertans, set with objective criteria so all Albertans could know what to expect from infrastructure projects across the province. [interjection] In answer to that associate minister's question, "Where is the list?" we just FOIPed your department, and you wouldn't give it to us, so button it.

We would save hundreds of millions of dollars by ending all grants to all for-profit corporations, no exceptions, and we would

divest ourselves from the Alberta Enterprise Corporation and get the government out of the business of being in business, picking winners and losers, and taking on business risks with Albertans' hard-earned tax dollars.

We would hold the line on what we spend overall on front-line positions and salaries for two years in the public service and work with them to transform and streamline the public service so that the best rise to the top and make public-sector compensation and benefits sustainable into the future.

Finally, we would empower the Auditor General and double his office's budget and bring in independent third parties to fully audit the government and review all programs and services for duplication and waste.

Once Alberta's finances are back on track and a cash surplus is re-established in 2014, it is critical that government does not fall back into the same old habits. Because of that, we would therefore pass the Wildrose Balanced Budget and Savings Act, which we campaigned on in 2012. This act will cap increases in annual government spending to inflation plus population growth in good years and bad. It would reinstate mandatory balanced budget legislation that the current government revoked in 2009. It would mandate that 50 per cent of all cash surpluses, once we return to a total cash surplus, are invested in the heritage fund each and every year, and it would prohibit the transfer of interest from the heritage fund into general revenue until that fund . . .

5:00

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

Standing Order 29(2)(a) allows for five minutes of questions or comment. Are there any members who would like to use 29(2)(a)? The hon. Member for Chestermere-Rocky View.

**Mr. McAllister:** Thank you, Madam Speaker. Two points or two questions I would like you to cover, hon. Member for Airdrie, the two things that you touched on that there seemed to be so much confusion and debate over, depending on what side of the House you sit on. The 8 per cent raise that MLAs voted themselves once we were elected: can you explain sort of in layman's terms how that number changed from one to the next so that we all understand? Secondly, on the corporate handouts I think if we all were aware maybe of where some of this money is going, then we'd be able to look our constituents in the eye and say: do these companies really need Alberta taxpayer money? Could you give us some more examples?

Thank you.

**Mr. Anderson:** I most certainly can, and I will.

Before I get to those questions, I just have a few more comments to preface that question. As part of the Balanced Budget and Savings Act we would also prohibit the transfer of interest from the heritage fund into general revenue until interest from the fund is more than the amount of government revenues from oil and gas, therefore ending our forever dependence on volatile oil and gas revenues.

Alberta desperately needs this Wildrose financial recovery plan. The longer we wait, the worse it will get, and the more difficult it will be to get out of this mess.

#### **Point of Order Question-and-comment Period**

**Mr. Hancock:** A point of order, Madam Speaker. Standing Order 29(2)(a) allows for questions and comments. It has been abused in the past by people saying: would you like to finish your speech? But in this case the hon. member didn't. He actually asked a



couple of questions. It's not appropriate for the hon. member to just finish his speech.

**The Acting Speaker:** Hon. member, can you return to the question that you were asked, please?

**Mr. McAllister:** Madam Speaker, can I clarify? I asked the questions.

**The Acting Speaker:** No. We had the questions. The hon. member can remember what you asked him. He should return to the questions.

**Mr. Anderson:** It was an 8 per cent pay raise from what we were receiving right after the election compared to what we're receiving today.

Do you have any other questions?

### Debate Continued

**The Acting Speaker:** The hon. Member for Rimbey-Rocky Mountain House-Sundre.

**Mr. Anglin:** Thank you, Madam Speaker. I was wondering if the member would like to comment on some particular issues on the – I'm going to ask a question – issue of borrowing money to get out of debt.

**Mr. McAllister:** And finish your point.

**Mr. Anglin:** And finish your point.

**The Acting Speaker:** The hon. Member for Airdrie on the question.

**Mr. Anderson:** Clearly, I don't think we should borrow to save.

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

**Mr. Hancock:** Sure. I have a question for the hon. member. It's the same one that his colleague asked that he mumbled about and couldn't answer, so I'd ask to give him another chance. How does that member understand a major cut to MLA pay being an 8 per cent increase? Before the election MLAs had a transition allowance. They had a tax-free allowance. They had a number of things which, when you added them up, was 8 per cent more than MLAs are getting now. How does he call that an 8 per cent raise?

**Mr. Anderson:** Well, I own a calculator, and it's really cool because I have pay stubs. I know that your pay stubs don't look like mine because they're, like, twice as much, but under my pay stubs if you compare the month before the election to what I make right now, it's an 8 per cent increase overall. That means it's an 8 per cent increase total. That's the reason for that.

Thank you.

**The Acting Speaker:** That side spoke, so this side can. The hon. Member for Lac La Biche-St. Paul-Two Hills.

**Mr. Saskiw:** Thank you. I'm just wondering if the hon. Member for Airdrie has any additional comments that he'd like to express.

**Mr. Anderson:** Thank you. That's great. I'd love to express some additional comments.

Alberta desperately needs this Wildrose financial recovery plan. The longer we wait, the worse it will get, and the more difficult it will be to get out of this mess, the more wealth will be squandered, and the heavier the burden will be on our children's and our

grandchildren's future. At least, despite the spectacle of the provincial government's mismanagement, Albertans are moving forward. Alberta's economy is, indeed, once again leading the nation both in terms of employment and growth. Albertans are doing what they do best: creating jobs, generating wealth, providing opportunity and prosperity for them and their families. Our best days are not behind us.

Despite the gloomy state of the government's finances, Albertans shine brightly. They give us hope every day and inspire us in the Wildrose to keep working on their behalf and to urge this old, tired, ineffective government to protect the Alberta advantage and get this government on a responsible fiscal track, living within their means just like Alberta families and businesses do every day because the government is lucky – and indeed we are all blessed – that Albertans are driving ahead with the same ingenuity, innovation, and activity they always have. It's not because of this government. It's because of Albertans, because this is the province Albertans built.

**The Acting Speaker:** Hon. member, we have two seconds left. Sorry.

Are there any other members who wish to speak on Motion 28? The hon. Member for Calgary-Buffalo.

**Mr. Hehr:** Well, thank you, Madam Speaker. It has truly been an interesting afternoon listening to the responses to the budget, and getting an opportunity to comment on my views and thoughts is an honour and a privilege. Having looked at the budget and seeing the results that were presented therein, I can only feel a great deal of sadness for what has transpired over the course of the last 25 years. I can only look at those budget documents as to what they confirmed, that it should be a day of sadness here.

I mean that not as a political poke at anyone. I have been complicit in this as well. As an Albertan who's lived here since 1969, I have been part of the spoils of having been born in this province, lucky enough to be part of it, having been born on a patch of earth that is lucky enough to have 25 per cent of the oil resources. My life has been greatly benefited as a result of that, and in fact if you look at decisions made and the record of this government, clearly there is a reason why that has been so. I have had the opportunity to go to public schools, had great care in hospitals, had an excellent university experience, and all the while had to pay relatively low taxes. It's the same with my parents, the same with everyone in this room. I guess that has been really quite an advantage to many Albertans.

But I have to go back to the reason why I'm sad. I think it was a real eye-opener, a real wake-up call, a real time for us to re-evaluate whether what we've done over the last 25 years and maybe even what we've done over the entire 40-some-odd year reign of this government is really in the best long-term interest of Alberta's future.

Madam Speaker, not to try and be funny, but I meant this from the bottom of my heart when I said yesterday in question period to future generations: call the cops; you've been robbed. I don't think that's too far off the point. What we have seen over here is essentially intergenerational theft.

When we had this oil and gas wealth, there was a recognition, at least by our government, the early days of it in 1971, that there were two things in Alberta's future that were true, and they are still true today. One day we're going to run out of oil and gas, probably not for a long time, hopefully not, but another thing that's going to occur is that the world may move on or our oil and gas may not be worth as much as we think it is or something else is going to happen that we don't know. So given the precautionary

principle I would suggest that the government and even all political parties in here base their assumptions on trying to save a large portion of this nonrenewable resource revenue for a day when we do not have oil and gas reserves.

5:10

Look at how we're living right now. I've already said that I've lived probably better than I should have as a result of accidents of geography as well as government decisions. I have benefited. I have been complicit in this crime, okay? I have. My life has been unduly enriched. But if we believe, I guess, that when the day comes when oil and gas are no longer here, tourism and farming are going to carry the day, I don't think they're going to pay the freight the way we need.

Let's look at the last 25 years. Over that time we have taken in and spent \$150 billion in nonrenewable resource revenues. Yes, we can point to various times in our past when maybe we've done things better. Maybe we more prudently looked after our resources. Maybe we brought in more revenue or cut taxes or did something like that that impacted the economy one way or government revenues the other way. But in the main one has to look at the 25 years and say: what a lost opportunity for building a real legacy, a real structure on which we can ensure that future generations can and will be sustained, possibly in perpetuity.

I know the other side of the House doesn't like me to bring up the example of Norway. But, really, if we look at a prudent society and what they decided to do with their oil and gas revenue, to save it all as it comes out of the ground – they said: we see this as being a resource that will one day no longer be here, and we will need it then. Their society decided to do that, okay?

Of course, the answer will come back from the other side. I think I heard the hon. Member for Calgary-Glenmore and the hon. Solicitor General state: oh, my goodness; they pay higher taxes. Well, are they stupid, or are we stupid? The proof is that they saved the money. It's not a question of who paid higher taxes or who paid less taxes. You know, simply put, if you don't want to pay the taxes, don't provide the services. That's what your government has done. They simply had no accountability with this money or with any obligation to save any portion of it.

The evidence is clear. It came out last week in the budget that not only has this \$150 billion not been enough; we now will need an extra – I don't have a very good abacus, so I'm not very good at figuring out the numbers, but we could be by the end of this thing \$17 billion in debt. I note that the government does seem to say that we have a savings plan here, but let's look at this savings plan. Really? Come on. Let's look at it. Let's be honest.

Yeah, we can go on the TV and the radio and say: "We have an operational budget. We have a capital plan. We have a savings program." But this savings program is really kind of milquetoast at best, okay? I think the number is, say, 5 per cent of the first \$10 billion that comes in in nonrenewable resource revenue, and it doesn't start till 2016, so it'll be \$500 million. Well, great. If I can believe the budget documents, which I'm becoming increasingly skeptical about doing after the last election, if you look at that, we're saving \$500 million of \$10 billion, and we're saying that that's something. Given the unbelievable wealth we're bringing in, we're pointing to that \$500 million of what we're going to save when we're chalking up \$17 billion in debt. Who are we really kidding here? I hope you're not kidding yourselves. If you are, that's just foolish. If you are believing that this is a reasonable plan going forward, please look at the last 25 years because it seems to me that that is exactly the path – despite the little shell game we're playing, despite the little smoke and mirrors and up and down we are doing, it is essentially a shell game.

Now, you might be perfectly correct. I'll give you this. Maybe your political antenna is up, and you guys sense that this is the best way forward to win the next election. Great. But does it do anything, really, to address the underlying fundamental problem that here in Alberta we have refused to save money for the day when we are out of natural gas, oil and gas, and oil sands and the like? It doesn't. If we think we are solving that problem, we are not.

Let me point out a couple of facts here. I think they're factual, but I'm certain there are ministers here and other members who can correct me. We are the lowest taxed jurisdiction in Canada by a country mile. The next lowest is Saskatchewan with their revenue streams amounting to \$12 billion. Yes, they have higher corporate taxes, they have a progressive tax system, and, yes, they do have a PST. Okay? Oh, my God, lightning didn't strike. They have those things. You know, if we adopted that tax structure, we would bring in \$12 billion more.

In my simple mind, being tied for the lowest taxed jurisdiction in all of Canada is not that bad of an approach. Think about it. Pay all of today's bills, save \$6 billion for the future, and there you go. That might not be politically expedient. I understand that. But if you want to continue spending like this – and I would agree with that spending. In fact, given where we are today, given that we're trying to hit reset on this whole last 25 years – I think that's part of this exercise, trying to hit reset on this whole exercise. Going forward, we have to take more of an approach of paying for what we use.

Given that differential – it's a different form of differential – between us and Saskatchewan, or the tax bubble we have, not the bitumen bubble but the tax bubble, if you want to build Alberta, if you want to do these things, which I want you to do, frankly, I think that given where we are today, hitting reset is not the dumbest plan. Nevertheless, convincing ourselves that something is going to change without changing the tax structure is folly. It's complete nonsense. If you tell yourself that, I think you're just playing the role of the ostrich, putting your head in the ground and hoping that the storm is going to go away and we get to win the next election and go from there. That, to me, is not a reasonable plan.

It seems to me, looking at this, that there's this plan that we're going to sell ever-growing amounts of bitumen and that it's just not going to matter one day. But that's been the plan since '08. It still hasn't come in. I think there's some hope over there that it's going to be the plan by 2016, but maybe not. It doesn't take into account the precautionary principle.

In any event, I know I'm getting a question here, so I look forward to taking that. I thank you for the time.

5:20

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

Under Standing Order 29(2)(a) the hon. Associate Minister of Services for Persons with Disabilities.

**Mr. Oberle:** Thank you so much, Madam Speaker. I just have a question for the hon. member, who has such concern about the concept of intergenerational theft, coming from a party that wants to raise our taxes and practise current generational theft, I guess. But that's okay. I actually agree with the member and that party there that we need to save some. Obviously, we could talk for a long time about how much, but we need to save some for future generations. I get that.

Wouldn't the hon. member allow that some of the infrastructure that we build today is, in fact, a legacy for future generations, that some of the spending that we do today is a legacy for future generations? It's not just that we have schools or universities. It's

that we have a world-class education system that is enduring and is educating already a future generation or hospitals that are protecting that future generation and their health needs and their children's health needs. But for public investment we wouldn't have an oil sands business today, we wouldn't have an OSB business in Alberta. Those public investments are legacies for future generations. When we get there, we will have diversified our economy beyond an oil economy.

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

**Mr. Oberle:** Wouldn't that hon. member allow that some of the spending that provided this infrastructure and these businesses is, in fact, a legacy for future generations? That's certainly what it's intended for.

**The Acting Speaker:** Hon. member, just for clarification, Standing Order 29(2)(a) is for comments and questions.

**Mr. Hehr:** I thank the hon. minister for his question. It was a thoughtful one. I would agree that some of these investments we make and have made are investments in the future. But let's be clear. These schools we built are generally for children who are going to be going to school in them now. Generally speaking, some of these investments we've made in the oil sands sector were made for us to use now because we're getting the revenue out and spending it all now. I stand by the proposition that if we really are looking to the future like other forward-looking societies have – Alaska for one, Norway for another – this has to be saved for the future.

He says that I made some comment about picking the pocket of today's taxpayer. I went through the process of how our taxpayer gets a pretty good deal as a result of our nonrenewable resource revenue. Really, how can you say that we don't? We spend all of that oil wealth as it comes out of the ground. If we didn't have it, we'd have to pay taxes or else not have the services. How that is lost on the hon. minister I'm not sure. It really makes pretty common sense if you look at this year's budget. Go back the last five years since I've been here. Go back as far as you want. We have always spent nonrenewable resource revenue on operational spending, which we in the main use today. We use it. To again deny that fact, I think the hon. minister is doing mental gymnastics that I don't understand.

I will agree with him that some investments we've made are a legacy for the future, but those will inevitably break down, will inevitably have to be rebuilt, will inevitably have a deficit attached to them as well. Really, the goal should be to get a fund like Norway has, \$700 billion, \$800 billion more, to really set Alberta up for the day when oil and gas are no longer here or the world goes on.

Thank you, Madam Speaker.

**Mr. Anderson:** Clearly, this member brings a different perspective to how to solve this issue of intergenerational theft, and that's what it is. This government has clearly, I would say, robbed future generations blind. This is going to be one heck of a discussion to have with generations down the road, with our kids and grandkids when they get older, trying to explain to them how we blew through all this wealth.

I guess I would ask the hon. member if he has any other comments on that or just general comments that maybe you weren't able to make in that 15 minutes that were given to you.

**Mr. Hehr:** To be fair to the hon. Member for Airdrie, I stole the term from you. Okay? So there it is.

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

That's the end of Standing Order 29(2)(a).

Are there any other members who wish to speak on Government Motion 28? The hon. Minister of Tourism, Parks and Recreation.

**Dr. Starke:** Thank you, Madam Speaker. I want to lend some additional perspective to today's debate. I want to talk a little bit to members in the Assembly today about an experience that I had back in January which I found very instructive. It helped sort of bring perspective to me as to how decisions made in the past can then affect where things go in future years.

In the month of January I was very privileged to represent the province of Alberta as a delegate to the Pacific Northwest Economic Region visit to the state capital of Alaska, to Juneau. During the course of two days there we had a series of meetings with state legislators. I had the privilege of meeting the state governor and a number of other officials for the state both from their Senate and from their House of Representatives.

I learned a number of things about the state of Alaska that I found very interesting, and perhaps, you know, I'll pass those on. One of the things that the hon. member who just spoke talked about was the Alaska savings plan. They do. They have a permanent fund, that was patterned in some ways after our heritage trust fund, that was started in 1976 and today has a balance of some \$40 billion dollars. In addition to this permanent fund they also have about \$20 billion in a number of various constitutionally required reserve funds that are there in the event of a budgetary deficit to cover off any budgetary deficit.

In addition to that, they also have an annual dividend payout. Based on a formula that is in law for the permanent fund, that dividend is paid out to Alaskans on an annual basis. Last year that cheque, if you were an eligible Alaskan, was for some \$878. The state has no personal income tax. The state has no state sales tax although there are some jurisdictions within the state that do charge a sales tax. I thought to myself: "My goodness. This is amazing. They've saved all this money. They have no taxes. They pay back to people. I can think of a party that wants Alberta to be run that way. That's right. There they are, across from us."

So you can imagine, Mr. Speaker, when I learned all those things, how I was surprised by a few things. I was surprised by the number of legislators that, when they met with us and found out that I was the delegate from Alberta, said: "Talk to me about how you've done it. Talk to me about how you're diversifying your economy. Talk to me about how you've done it in Alberta in such a way that we wish we would have made those decisions." You see?

**Mr. Fawcett:** Democrats or Republicans?

**Dr. Starke:** Both Democrats and Republicans who have been in power in the state of Alaska, which now has an economy that is 73 per cent dependent on nonrenewable resource revenue, mostly from the Alaskan north slope, and 90 per cent of their unrestricted revenue is dependent on nonrenewable resource revenue.

They have refineries in Alaska that are shut down because they don't have the workers to run them. They have a power grid system – and I wish that the Member for Rimbey-Rocky Mountain House-Sundre was here. Well, they don't have a power grid system. You see, they have a number of isolated areas of the state that are not hooked together in any way. They suffer brownouts regularly during the summer and winter months. In fact, a number of their isolated communities depend on the burning of diesel fuel in generators to generate electric power.

They have abundant natural gas, but they have no infrastructure for transporting that gas to where it's used. As a result, in the city of Fairbanks on an annual basis you spend about \$6,000 to heat your house with heating oil.

5:30

**An Hon. Member:** How much?

**Dr. Starke:** Six thousand dollars to heat your house with heating oil.

They do not have an effective infrastructure. Their roads are limited. Let's just put it that way. And again and again I was asked by their legislators: how did you do it; how did Alberta build the universities, the hospitals, the research facilities that we wish we had in Alaska? I told them: well, we made a number of decisions. Not all of those decisions went perfectly, Madam Speaker, but we did make a number of decisions that I do think have paid out for our province. We decided not to just sit on our savings, put them in a tobacco tin and hide them in the back of the underwear drawer. Instead, we invested those savings. We invested them in a number of ways and in a number of things.

Now, as the opposition has pointed out, not all of those investments turned out as well as we would have liked. But instead of just dwelling on the failures and the well-publicized things that didn't go well, I'd like to point out a few partnerships with private enterprise that did go very, very well: the Joffre gas plant as an example, which was as a result of an investment made in the era of Peter Lougheed; and, as the minister sitting next to me mentioned, the OSB facilities that we have and the OSB factories that we have. A lot of these things would not have gone ahead without investment on behalf of the taxpayer in private business.

I want to talk about one that I'm particularly familiar with, and that's the Lloydminster biprovincial upgrader. For years and years and years we recognized in Lloydminster that we had heavy oil in the ground and were not going to get full value for that oil unless it could be upgraded. When I was on city council in 1985 to 1991 we had numerous meetings with Husky officials, and we said: we really think we need to go ahead and do this. The Husky officials said: "You know what? The economics just aren't there." They said that again and again and again to us.

Then in 1988 we had the courage and the conviction of Don Mazankowski; of Bill McKnight; of the former Premier of this province, the person you guys slag all the time, Premier Getty; and of Premier Devine of Saskatchewan. They developed a unique partnership between the federal government, two provincial governments, and Husky in 1988 to announce the building of the Lloydminster biprovincial upgrader. Now, I will tell you that Lloydminster is a city that has enjoyed a huge rate of growth and continues today to grow hugely, largely driven by the biprovincial upgrader.

A couple of years after the biprovincial upgrader was announced, as an example, Lakeland College had a campus established in Lloydminster. So Lloydminster, that had an economy that was very vulnerable to up-and-down fluctuations, now had an economy that was built on heavy oil, on agriculture, on education.

Soon what else happened in Lloydminster? Well, all of a sudden we became known as a retail market. We drag in a whole lot of folks from the province of Saskatchewan to come shopping to Lloydminster because – yes, you guessed it – we have no sales tax and we also have 14 liquor stores to choose from.

Now, Madam Speaker, we can dwell on the negatives and we can say, "The government shouldn't be involved in private

business," as a dogma, you know, as something that we just believe, just absolutely, because we can't risk making a mistake. But we have to also be bold, and we have to be courageous. If there's anything that we have been as Albertans historically, it's bold and courageous.

To sit and to say that we aren't going to invest in this and we're not going to invest in that and we're not prepared to take risks and we're not prepared to go ahead to me is just not Albertan. It's just not what we do in this province. We are risk takers. We're entrepreneurs. I think that that's the kind of behaviour that people expect of their government.

Now, are they always going to work out and always be success stories? Well, obviously not. I mean, all of us in our private lives probably pick some stocks that win and some stocks that don't do so well. But we do have success stories, Madam Speaker, ones that I'm very proud of.

That is why we're not Alaska. Alaska can't get people to come up there even though they pay them 900 bucks a year from a dividend fund. They can't get people to come even though they don't have a state income tax. It's because they don't have a diversified economy. Their economy is entirely dependent on nonrenewable resource revenue, and that production off the north slope of Alaska has been going steadily downward since 1988. In fact, it's gone down so far that the one piece of infrastructure that they have invested in, the Trans-Alaska pipeline system, is now running at about one-quarter of its capacity. If it falls a lot more, the flow rate will be so low that, in fact, they won't be able to run oil down the Trans-Alaska pipeline.

We know, of course, from my colleague the Minister of Energy the importance of getting your product to tidewater. In fact, they're very interested in the G7G proposal which involves the construction of a rail line from the oil sands to Alaska to hook into the TAP system. I will tell you that they were really interested in that proposal because that proposal, in fact, could kick-start their refining industry and also their pipelines. I said that, you know, really, we're working on some other proposals that we believe to be more economically sound, but we would keep the G7G proposal in the back of our minds, and if it was something worth considering, we would do so in the future.

Madam Speaker, I will tell you from my perspective and from that trip to the state of Alaska that I came home after three days in Juneau a much more proud Albertan. I was a proud Albertan because I had people from basically every jurisdiction around us – from Saskatchewan, from Alaska, from Montana, from Washington state – saying: "How do you do it? Tell us what you've done so that we can try to do the same thing." When I look at other economies that are largely resource dependent like Alaska, like Montana – I look at the world-class universities we have. I look at the fact that we do world-class research. I look at things like the Mazankowski Heart Institute. I look at Kananaskis Country. I look at all of the things that we have invested in in Alberta because we've chosen to invest using the leverage of the heritage trust fund. I'm very proud of what we've built in this province. While I acknowledge that we haven't always got it right, we've got it right more than we've got it wrong.

Madam Speaker, I am tremendously proud to say that I told the governor of Alaska, I told the Speaker of Alaska: "Well, what mistakes do you think you've made?" The Speaker of their House of Representatives, a Republican, said: "Well, the first thing is that we should be charging people income tax." I said: "Really? That's interesting." He said: "The people here have no skin in the game. They don't have any personal investment, personal stake in what's going on." I go: "Really?"

Then I asked: "What about taking on debt? You've got all this money. You probably can buy everything in cash." The chair of their state Finance Committee said: "Well, you'd have to be a moron not to borrow to build. Of course, we borrow; we borrow all the time. We borrow for schools. We borrow for infrastructure." That which they build. He said: "We borrow, then we pay it out over a period of time. We have bond issues." He said: "But we have a great credit rating. We have a triple-A credit rating. Why on earth would we not borrow? Why wouldn't you borrow when you can borrow for 2 per cent, yet your investments are making 6 or 7 per cent?" I thought: "Gee. You know, that sounds familiar. That sounds an awful lot like what the Minister of Finance has been saying."

Madam Speaker, as I said, the trip to Alaska was very instructive. I think, or at least I hope, that they learned as much from me as I learned from them. When I travelled there and met with their governor, met with their state legislators, met with the Speakers of both of their Houses, and met with my fellow elected leaders from other jurisdictions, I came back home as a very proud Albertan.

This budget carries on that tradition. This budget carries on that tradition of building for our future. This budget makes judicious use of borrowing and debt to build us going forward. We will continue to do that, Madam Speaker. I'm very proud of what our government has done, and I look forward to continuing the Alberta success story in that manner.

I thank you.

5:40

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

Standing Order 29(2)(a) at this moment. The hon. Member for Little Bow.

**Mr. Donovan:** Thank you, Madam Speaker, and I thank the member for talking about Alaska. That was interesting. Just on some of the numbers now when you talked about the heating oil costs there. Up until two years ago I had heating oil in my old house on the farmyard. Now, I'm just going ballpark numbers, so bear with me here. Those nozzles on those oil furnaces only run about .75 gallons an hour. That's the maximum you can blow through them to make those oil furnaces run. So if you use that, it's \$6,000 annually at \$3.50 a gallon. It's probably higher up there, so I'm not sure. That works out to about 1,715 gallons a year. Now, if you take that at .75 and you divide that, that's 2,285 hours. So running wide open, it would have to be 95 days straight with the furnace never shutting off.

Now, it's the whole cost of it. I totally understand when you say that the cost at \$6,000 is high, and I'll agree with that. But I think you also have to take into account what the price of diesel is up there and, obviously, that it might be a little bit cooler for longer periods of the year there than it is here. I appreciate the numbers you used on that. But I think one has to be a little cautious when we throw numbers around for the shock value. [interjections] I'm very glad that everyone over there finds that because it's something that you should probably do. It's just facts of numbers. When you start throwing them out there, I mean, you're not truly comparing apples to apples on that.

I do appreciate the fact that the cost of heating a house on diesel up there is probably high. But at the time when I was running diesel in my house – and the reason I got rid of it was because it was hard to find anybody to work on them anymore, which was one of the issues, because in this province we've gone to gas – it was actually cheaper. My old farmhouse was cheaper to run with the hot water being diesel and the furnace in the house being

diesel than what it was on natural gas. That was when natural gas had spiked up to \$7 and \$8 a gigajoule.

I mean, I appreciate the numbers – and I do appreciate the story because it does give us a different perspective of what they do up there – but there are definitely some different numbers on that. I'd like to hear your opinion on that, just to throw it back at you.

Thank you.

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

**Dr. Starke:** Thanks, Madam Speaker. I thank the hon. Member for Little Bow for his question. The specific number with regard to the heating oil costs came at a lunchtime seminar, that was actually given for members of the staff in the Alaska state Legislature Building, where they talked primarily about electrical power. They were talking primarily about their power grid or, rather, their lack of it.

The other thing that they then talked about, though, was how they heat homes because in some areas it is done by electricity. Specifically, they used the example here of the city of Fairbanks. Fairbanks, as we know, is in central Alaska and is a rather cold place. So I'm not sure, you know, how we can compare, necessarily, efficiencies of their heaters or furnaces versus yours, whether they're as well insulated, that sort of thing.

All I know is that at that particular seminar I was told that the average annual cost for heating a home in Fairbanks, Alaska, specifically, was \$6,000. That to me was a considerable sum, so that's why I quoted it here. It was, like I say, one of the very interesting – and there was a long list of them – sort of tidbits and facts that I picked up during my trip.

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

There is still time under 29(2)(a). The hon. Member for Lac La Biche-St. Paul-Two Hills.

**Mr. Saskiw:** Thank you, Madam Speaker. Just to comment on this, during the campaign, I was just wondering, did you campaign on going into debt, or is this a new-found love of debt? I know that the Premier had promised during the election that there would be no debt and that that was a terrible road to go. Did you campaign on that to your constituents?

**Dr. Starke:** Madam Speaker, what I campaigned on is giving Albertans good government and using the experience I developed in business and in other areas of public service to make the kinds of decisions that people wanted me to make. People put their trust in me because they trusted me for 28 years with their farms, with their livestock, with their animals. They said: "You know what? He's probably a trustworthy person, and he probably can make good decisions on our behalf."

One of the things that has to be recognized is that you have to make those decisions that are appropriate at the time, that are generated by the circumstances you are faced with. You can't be ideologically in a tunnel. You have to actually have a broad-minded view to recognize that at times you have to manoeuvre, you have to be nimble, and you can't just be on a railway track.

That, Madam Speaker, is why I was elected.

**The Acting Speaker:** Thank you, hon. minister.

That concludes our Standing Order 29(2)(a).

Are there any members who wish to speak on Government Motion 28? The hon. Member for Lac La Biche-St. Paul-Two Hills.

**Mr. Saskiw:** Thank you, Madam Speaker. You know, what we've seen with this budget is a budget that's gone back into debt. We were quite surprised when we saw the magnitude of the debt numbers put forward by this government after years and years and years of – and back in 2007, where there was a . . .

**The Acting Speaker:** Sorry. Hon. member, I just had a point clarified to me. You adjourned debate, and that was considered to be your moment to speak, so unfortunately you won't be able to speak again.

The hon. Member for Little Bow.

**Mr. Donovan:** Okay. Sure. [interjection] All right. I'm just checking. I didn't want to get into trouble. There's a lot of finger pointing going on in here.

The campaigning on budgeting and the whole process of it. I guess, I'm a pretty fiscally conservative person as far as how you spend money. We talk about smart borrowing versus bad borrowing and stuff like that, and I appreciate that. Now, I was told by the previous MLA for Little Bow that whenever the government budgeted for new buildings and stuff, they never budgeted for the operational side. It's great to build new schools and hospitals and things like that, but as a farmer – I always turn it back into my lingo – if you're going to build a dairy barn, you'd best have the money put away to buy the cattle and the feed and everything to run it. I mean, we've talked in this forum quite a few different times. The Associate Minister of Finance looked like there was a good possibility of him having a stroke earlier today, but he got her back under control, and that's good. We talk about doing these things, and we talk of the new schools. We talk of all these things we're going to build, but if we don't have the money to operate it, we have more problems. It's that continual ball.

I mean, there are past programs that we've watched. We always hate to look back in history, and it depends, I guess, on which side of the floor you're on and how the argument goes in history. We talk of Premier Lougheed. We talk of Premier Getty. We talk of Premier Klein. If it works for your own situation – and every party in here has done it before – you pick and choose the times that are good and bad from what that previous administration has done to make your point and to validate it.

What worries me with this budget that we're doing is that we're promising people all these infrastructure things that we're going to build, and we're not going to be able to get the teachers or the doctors or whatever they need to put in there.

I received an e-mail this afternoon from a private school in my riding that just got cut \$750,000 due to this budget. Now, that's their guess. I'm waiting for them to still roll that out because I don't want to jump up and down on it yet. It's the whole process of: we have these lists, and we're going to do these things, but we're basically robbing Peter to pay Paul on some of these things. So I just caution the government.

I appreciate that we are a growing province. I appreciate there are over a hundred thousand people a year coming into this province and they don't bring their schools and their hospitals with them. I totally get that. It's the whole process that when we go about doing these things, you know, sitting here – and we sit and throw it back and forth all the time. But it's making good investments and having good ideas, and you get into that whole process.

I'm sure that when we sit down and look at it all – and it's been brought up in debate before that our side has been sitting here, the Wildrose, going on about how we applied for \$1.5 billion in infrastructure. We all sat here. We got an e-mail from the associate Finance minister asking us what we saw as a

representative of our constituency that we needed in our constituencies. So being a blind sheep of faith when I do things, believing everybody is doing it in the right mode, I sit there and send in what I felt my constituents had told me of where in the over 12,000 square kilometre riding of Little Bow there needed to be overpasses and schools and updates on hospitals and stuff like that.

5:50

**Mr. McAllister:** I didn't send anything in.

**Mr. Donovan:** Well, I know that a couple of colleagues didn't send anything in because they thought it could be somewhat of a trap.

The point is that as an MLA you're there to represent your constituents. It doesn't matter what party you're in; you're there to represent what they need. I think that to not send that in would have been, in my thoughts, not a great idea for my constituents. So I sent in my list. Now, to get it thrown back at you later in conversation I find a little bit spiteful, but that's politics. I get how the game is played. I totally understand that. It's just that it's deceiving when people get up and speak about it and say: well, your party wanted \$1.5 billion worth of infrastructure, but you're campaigning on no infrastructure. We never campaigned on no infrastructure. It was a balanced approach to doing it.

On my farm if I get hailed out three years in a row, I don't go and buy a brand new combine, because the other one is not worn out. You have to sit there and take everything in time. I get the times and measures that we're in at times here of how to balance the budget and how to make that work. But I do not recall one person other than our – I guess they're cousins on this side here, the third and fourth parties, because if we're conservative cousins, they're tax cousins or however they work that. They campaigned on raising taxes and doing stuff like that.

We go into the debate of: yes, there have been no raised taxes in this budget. I totally understand that. As the Associate Minister of Finance pointed out, and I believe it was a challenge, he said: show me where that is. Well, I can tell you about farmers. The Alberta farm fuel distribution: 6 cents. To me that's a tax. To my constituents that's a tax. It's going to cost more to fuel now. On the Wednesday before the budget was dropped I could buy farm fuel at 6 cents a litre cheaper than I can now. Now, I have one constituent with a fairly large farm. He farms about 35,000 acres. For him alone it is going to be \$20,000 just in that difference of the 6 cents on fuel. And, I mean, he'll go around it. He'll sit there and end up just not hiring as many people to help at springtime and everything else.

**An Hon. Member:** But your friend from Airdrie doesn't want us to give money to corporations.

**Mr. Donovan:** It's not corporations; it's farmers. This is a family farm. It's truly a family farm.

**An Hon. Member:** It's a business.

**Mr. Donovan:** Yeah. Well, everything is a business.

**The Acting Speaker:** Hon. member, through the chair, please.

**Mr. Donovan:** Sorry very much. I get easily confused by some of the things that can happen sometimes.

In doing these things, this is where it's costing Albertans more to do business, which is a tax. I mean, it's just the process.

We can sit on the other side as the Minister of Infrastructure talks about the list: we always have a list. I pulled it up. The

minister has always said that there is a list on the Internet, so I pulled up the list. I mean, I agree with him. If the information is there, let's pull it up. As you pull it up – and it's right on his web page, as he's laid out before – you sit here and you go through public infrastructure projects in your communities. That's the list you talk of, I believe, Minister of Infrastructure, when we talk about what's going to go on. It's very nicely done. It has schools. It has postsecondary institutions. It has north, central, south. It splits the province up.

Now, the problem is that it's kind of a false bill of goods. You sit here and look on it, and you go: there are some great ideas here. I totally agree. The great ideas came from the MLAs from all those areas they represent. They probably were asked by the Associate Minister of Finance to put out a list for infrastructure. Now, when you read the list, nobody obviously went over it in a little while because we have some great ideas. In Fort Macleod we're going to put in a public safety and law enforcement training centre. Maybe – just maybe; I'm throwing it out there – cross that one off the list because I think you guys did it already. It got heave-hoed. I mean, that's great, but when we have people – and I'm assuming there are a lot of people somewhere in there that should maybe be identifying some of these problems that are out there.

You know, it's maybe nice to leave it on the list. But when we talk about the list and that we've got to use the list and all of those things, make sure the lovely list is updated. It works out a lot better that way. I have constituents that ask me, and I say: they say that it's on the government website, so go look at it. These are things I think we could update and keep everybody a little happier with.

There's not one person that I recall on that side of the floor or on this side of the floor that went out and campaigned on going into debt. I get the whole concept, and it's a great sales pitch you guys have done for this. I do give your comms team full credit for it. You're selling it as a home mortgage. I get the concept of a home mortgage. I have home mortgages. Lots of people have them. That's how we get through. As a farmer I take that next step of how to really leverage yourself at times, but the difference is that it's me paying it. When I sign on that bottom line, it's my butt that's on the line if I default on the payments. The nice part of being in government when you go and borrow money: it's not you that pays it back. You as a taxpayer pay it back, but your names, the 61 MLAs on that side of the floor, are not personally signing an actual IOU to the bank or an actual mortgage. In 2016 if things happen to flip around, the debt is not on your lap, so to speak. Then we'll be sitting here 25 years from now talking about a

government that was in power and that built all of these things, and it's almost like a repeat of the Getty years.

I get that we need to have some stuff built. I'm not here to argue that. It's the whole rolling out of: where do we find the time? Are we actually going to build to a point in life of: "Yeah, we identify that we need that. We're not the party of no infrastructure. We've laid it out. You're going to have to roll it out over a little longer time."

Maybe there are ideas out there for how to justify some of the schools we have. When I was in high school, the high school in High River burned down. Not a great time in life, but like most small communities you make it work. What we did was that we went to Okotoks. Now you say: was there an empty school there? No. The Okotoks composite school was sitting there full. What we did was that the Okotoks composite kids went to school from 7 a.m. till noon, and the kids from High River went to school from noon till 5. Perfect use of a school. Made double time in it. Had two sets of staff in there. It worked out great. The High River people came over. I mean, we got the school rebuilt. Obviously, it was the PC government and an insurance company that rebuilt that school in High River. That was done.

These are the things, I think, that we need to really sit back and look at. I mean, people are talking about it. The means of people are that when we get in a spot, we figure out how to problem solve it. We've done that in communities where communities are starting to use school gyms for community halls because it makes more sense to do stuff like that. If we're looking for ideas on education and such, I think that's one. Now, is it going to work for every parent?

**The Acting Speaker:** Hon. member, I hesitate to interrupt you, but we are coming on to 6 o'clock, and I have two reminders that I would like to give the House before we adjourn until this evening.

**Mr. Donovan:** I was just getting to the sweet stuff, but continue. Yes.

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

One is that there were references earlier by a member to the absence of somebody in the House. I would remind you that it's not acceptable to refer to an absent member in the House. The other thing is that unless it's 3 in the morning, it's also not acceptable to put your feet up on another member's chair.

So I would just give you those two reminders.

[The Assembly adjourned at 5:58 p.m.]









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