



Province of Alberta

The 28th Legislature  
First Session

# Alberta Hansard

Tuesday evening, March 12, 2013

Issue 35e

The Honourable Gene Zwozdesky, Speaker

## Legislative Assembly of Alberta The 28th Legislature

First Session

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Fritz, Yvonne, Calgary-Cross (PC)  
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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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		Gordon H. Munk, Assistant Sergeant-at-Arms
		Liz Sim, Managing Editor of <i>Alberta Hansard</i>

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Diana McQueen	Minister of Environment and Sustainable Resource Development
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Eggen	Rowe
Hehr	Sarich
Luan	Strankman
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Sherman

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

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Dorward	Saskiw
Fenske	Wilson
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Blakeman	Lemke
Calahasen	Sandhu
Casey	Stier
Fenske	Webber

## Legislative Assembly of Alberta

7:30 p.m.

Tuesday, March 12, 2013

[Mrs. Jablonski in the chair]

**The Acting Speaker:** Everyone, please be seated. Before the table calls the items of business for consideration this evening, the chair would like to alert members to some new faces that you will see helping out in the Assembly during evening sittings. We are fortunate to have Ms Fiona Vance joining the table as sessional Parliamentary Counsel to assist during session. Fiona, can you give a wave? Fiona is a lawyer with the firm of Shores Jardine in Edmonton. She received her law degree from the University of Alberta and was called to the bar in 2007. She also holds degrees from Queen's University and the University of Regina. Fiona did part of her articling rotation with the office of Parliamentary Counsel, so she is acquainted with the people and the environment. On a different note, so to speak, Fiona is an accomplished violinist, having played with the Kingston and Regina symphonies. Welcome, Fiona.

Nancy Robert will also be assisting the table. Nancy is a research officer in House services. Members may recognize her from her current role, which involves conducting research for both the legislative policy committees and the Public Accounts Committee. Prior to working as a research officer, Nancy has served in two other capacities since joining the Legislative Assembly Office in 2000, first as a bills and *Journals* clerk and most recently as a table research clerk. Nancy's previous experience includes a number of positions with the Department of Justice in the Northwest Territories. She also holds a bachelor of arts degree in political science from Acadia University.

One more time please join me in welcoming Ms Vance and Ms Robert to the Assembly. Thank you.

### Government Bills and Orders

#### Second Reading

#### Bill 13

#### Appropriation (Interim Supply) Act, 2013

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

**Mr. Hancock:** Thank you, Madam Speaker. It's my pleasure to move second reading of Bill 13, the Appropriation (Interim Supply) Act, 2013.

The act, as members will know, will provide funding authority to the offices of the Legislative Assembly and to the government for the period – well, it'll last throughout the year, but actually it's necessary from April 1, 2013, up to a period of about the 10th of May. The required funding authority for the full year is detailed in the estimates, which we'll be getting into, which is why we didn't have a Committee of Supply on interim, because we'll be dealing with that during the estimates.

It is necessary to pay the bills before the budget is passed and the Appropriation Act is passed, which won't happen now until the end of April, maybe early May, so it's quite appropriate and prudent for us to ask the Legislature for permission to pay the bills, pay the civil servants, keep the engine of government running as we go through the long and exhaustive process of discussing estimates and passing the public accounts. Thank you very much.

**The Acting Speaker:** Thank you, hon. Government House Leader.  
The hon. Member for Airdrie.

**Mr. Anderson:** Thank you, Madam Speaker. So we have another bill, Bill 13. For those following these epic debates at home, Bill 11 was a supplementary supply bill, so that helps the government pay the bills for expenses that they incurred that they weren't expecting and, you know, just random stuff that they wanted to spend more money on. So they come back, and that's to kind of top up what they didn't plan to spend in the previous budget.

Bill 13 is an interim supply appropriation act. This little baby, this little piece of work allows the government to function and pay the bills between April 1 and the time that they pass the budget on – well, we've been told that date will be about April 25. In fact, we're told that is what the date will be, so I'm not sure why the House leader would imply in any way, shape, or form that it could be early May that we'll pass the budget because we've been told that it's April 25 no matter what we do. That's what we call a fait accompli. That's when we will pass the budget, at least according to the House leader. Let there be no illusions of transparency, accountability, and democracy in that regard.

This bill is needed because of the irresponsibility of government in not passing a budget prior to the new fiscal year. Because of that irresponsibility, we have to come back and approve – let's see. How much do we have to approve here? Well, let's read it.

1. From the General Revenue Fund, there may be paid and applied a sum of \$13 941 000 . . .

That's a lot of money.

. . . towards defraying the several charges and expenses of the Legislative Assembly for the fiscal year ending March 31, 2014, as shown in the Schedule.

Then it goes on to operational. It says:

2. From the General Revenue Fund, there may be paid and applied a sum of \$5 396 930 000 towards defraying the several charges and expenses of the Public Service classed as operational for the fiscal year ending March 31, 2014, as shown in the Schedule.

There's lots in the schedule. We'll talk about that in a bit.

Then for capital, because they're splitting it out from operational, of course:

3. From the General Revenue Fund, there may be paid and applied a sum of \$1 395 252 000 towards defraying the several charges and expenses of the Public Service classed as capital for the fiscal year ending March 31, 2014, as shown in the Schedule.

Of course, there are no savings, clearly.

Financial transactions:

4. From the General Revenue Fund, there may be paid and applied a sum of \$72 133 000 towards defraying the several charges and expenses of the Public Service classed as financial transactions for the fiscal year ending March 31, 2014, as shown in the Schedule.

Then it sets out the amount broken up into departments, so we've got support for the Legislative Assembly, \$7.8 million. Then you've got office of the Auditor General, \$2.9 million; office of the Ombudsman, \$368,000; office of the Chief Electoral Officer, \$628,000; the Ethics Commissioner, \$106,000; the Privacy Commissioner, \$753,000; office of the Child and Youth Advocate, \$1.34 million. That's the \$13,900,000 or thereabouts that the Legislative Assembly needs to run its affairs for essentially that month that we don't have a budget passed.

The government. You have aboriginal affairs getting just over \$3 million. You have Agriculture and Rural Development. They want \$61 million in operational and \$19 million in capital. By the way, this is the full bill. This is what we're fully discussing and approving today in this bill.

You have Culture: \$35 million, \$5 million for capital, and another \$246,000 for financial transactions. Education: \$762

million in one line item just for operational. That's all we're going to get, \$762 million. That's all the bill says, you know. I guess \$762 million is not that much money. For capital expenses \$101 million.

Then we go to Energy: \$26 million for operational, \$600,000 for capital. Enterprise and Advanced Education: \$445 million, \$7.4 million in capital, and another \$46 million in financial transactions. Environment and SRD: almost \$51 million; capital, \$7.2 million; financial transactions, \$155,000.

The Premier's office: \$5.3 million. That's just for a month. Seems like she's really getting into this whole fiscal discipline thing.

Health. Operational for Health, just for the first little bit here: \$2.646 billion. That's one line item. That's what we're debating here today. Don't know what that's for. It's for Health. We know it's for Health, but other than that we don't know what it's for because it doesn't split it out at all. So we're approving \$2.6 billion because we can, and we like approving \$2.6 billion without having any discussion on how it's being spent or what it's being spent on. We'll just approve it. Whatever. Got to keep the wheels greased, you know. Capital, \$11 million; financial transactions, \$5 million.

#### 7:40

Then we go to Human Services: \$804 million. No idea how it's being spent. Just throw it out there. Capital, \$1 million.

Infrastructure: \$71 million in operational. I don't know why we spend so much money on operational for infrastructure, you know. There's got to be some fat to trim there. Capital for infrastructure, \$159 million, makes a little more sense. Financial transactions, \$7.25 million.

International and Intergovernmental Relations: \$3.5 million for the month or so.

Justice and Solicitor General: operational, \$155 million; capital, almost \$10 million.

Municipal Affairs: \$145,847,000, and capital there is \$852,660,000. Now, I think, from how I've had this explained to me, that \$852 million is apparently what's going towards MSI, so they're doing that all up front, it would appear, which is fine. At least we can understand that line item.

Service Alberta: operational, \$33 million; capital, \$4 million; financial transactions, another million.

Tourism, Parks and Recreation: operational, \$81 million. Probably no fat to trim there. Capital, \$2.5 million.

Transportation: operational, again, \$52 million. Man, that's a lot of money to approve, an operational budget of \$52 million in Transportation. The capital requirement, a little more understandable, is \$212 million. Financial transactions, \$7 million.

Treasury Board and Finance: \$14 million. That's operational. Fourteen million dollars: that is a lot of accountants, isn't it? Holy smokes. I mean, that's a lot. That is an economic stimulus package unto itself. Capital, \$313,000. I mean, these might be very legitimate expenses, but I have no idea what they are paying for because that's all the information we have in the bill. But that's how we roll here in the Big Easy of Alberta. Financial transactions, \$2 million, and so forth.

So the amount of operational to be voted under section 2 in this bill right here, this thin piece of paper that wouldn't kindle a fire in the summer – this is the description we have right here – is for approximately \$5.4 billion of operational spending, and capital in the amount of \$1.4 billion to be voted on and financial transactions of \$72 million or thereabouts. That's what we're debating today and what we're asking from our most gracious sovereign, as it says at the beginning of the bill: "Most Gracious Sovereign."

We're going to ask our most gracious sovereign to approve and allow \$5.4 billion of operational, \$1.4 billion of capital to be spent, and we have approximately five pages telling us what that is about. That is one heck of a way to run a government right there.

I guess some people might still find it a mystery as to why this government finds itself hemorrhaging debt and just completely going into debt, doubling the size of the debt just this year, tripling the size of the debt by the time we go back to the ballot box, mercifully, in 2016. Before that time we're going to be quadrupling the size of the debt in our formerly no-debt Alberta or almost no debt; we did have a couple of billion dollars on the books. But we're just tossing that out and launching into a massive, massive borrowing and spending binge.

So that's what we're doing today with Bill 13. We're going to approve a whole whack-load of money, and we have no idea and no ability to ask the different relevant ministers what this money is for. We don't have that opportunity. We will have an opportunity in estimates to talk about the entire budget, but for that month, you know, we're just kind of approving the money: "Off you go. Spend, spend, spend. Have fun." Boy, oh boy. That's quite an advance on your allowance, I'm telling you. That's a serious advance on allowance right there. [interjection] Yeah, we clearly need that. It'd just be nice if it was listed, you know. Like, if some of the stuff would be listed in here, we might actually know what it's being spent on in the next few months before we approve it because – who knows? – the budget might be amended. It might be changed. Well, then again, maybe not. We've got to work hard on this bill, I think, and spend some time on it.

I think one of the most offensive things that we find with bills like this is that, you know, the government might point to the estimates books that are given to the MLAs when the budget is presented and say: "Well, it's just in there. Go look at it." Well, the problem is that the point of estimates is to go through line by line – I know this is a foreign concept to some – and ask what is included in these things, whether these programs are necessary, whether they could be more efficiently run somehow, whether we need to put more into certain programs and less into other programs.

We have these wonderful debates that can last anywhere from two hours to six hours on billions of dollars. We talk and try to figure out where the money is going and come up with suggestions later on in the process for how we can change the budget. Of course, we're not permitted like they are in other parliaments to bring that many amendments because essentially there's a limit once it gets out of estimates and back into the Legislature on how much time we can debate the budget and how long we have to bring forward amendments. So, really, the whole process is rigged into one that is completely unaccountable in every way, shape, and form.

The only time we have to talk about the budget is when we can kind of point a few things out, ask a few questions that we generally won't get answers to, in the estimates process, and then we can bring it back to the House for a grand total of maybe three hours of debate, maybe four hours, five hours, something like that, on the entirety. We can produce some amendments, maybe, certainly no time to debate them in any real fashion, and then we pass a budget. That's how we do business in Alberta.

One would think that one of reasons why we have a fiscal train wreck in this province right now and why we have squandered hundreds of billions of dollars in resource royalty revenues with certainly not what we should have to show for it – we've got some things to show for it but certainly not what we should have – is

because we run our business this way, because there is not a lot of scrutiny.

You know, it's funny. It doesn't make a lot of sense. If the shoe was on the other foot – and I'm just thinking out loud here, as I'm apt to do in some situations. One would think that by having a proper vetting of the budget where we spent – and I know we don't want to compare ourselves to other provinces because, you know, Alberta is different. We're different. We are different. We're so different that we can pass \$6 billion in, like, an hour and a half or two hours of debate. That's how different we are.

**Mr. Hancock:** That's pretty similar to B.C.

**Mr. Anderson:** Well, if you go to B.C., sir, you'll note that they're in there for hundreds of hours on estimates. Absolutely, they are. They go on and on and on, and they've got tons of time to do it. If you look at Parliament, you'll notice that that process went on for a long, long time, and many amendments were brought forth, I would say, in somewhat of a frivolous manner. After a while there were literally hundreds and hundreds of amendments on each thing.

7:50

**Mr. Hancock:** So in that way were similar to you.

**Mr. Anderson:** Well, we would probably bring forward a little less than that, but we certainly would bring amendments forward, and they would be properly debated, discussed, and voted on and likely voted down. Maybe a few would be changed. Who knows? But that's the point.

If we did it that way, maybe the government would actually pass more fiscally responsible budgets on a year-to-year basis, and that would translate into more electoral support for them. One could even argue that the entire existence of another party, say a centre-rightish party, you know, that gave the government quite a scare in the last election, held the folks on the other side to the lowest vote total in their party's history, that sort of thing . . . [interjection] Oh, sorry; their lowest since 1967.

One would think that that entire political threat just wouldn't exist if the government would learn to budget properly and run their affairs in a competent, efficient manner. We'd still be all singing *Kumbaya*, saving up money, and running an effective government instead of what has occurred over the last four to five years. But we can't go back and change history, and unfortunately here we are. This is just such a slap in the face of good fiscal management. It just speaks of incompetence.

The other piece of incompetence that it profiles or certainly shows is the fact that one has to ask: what on earth are we doing in January and February? I don't know. I picked up a paycheque – well, I didn't pick it up; it was deposited in my bank account – a payment for my work as an MLA in January, February, and then that same cheque came in March, and I'm presuming it will come in April. It was for relatively the same amount. One would think that one of the assignments that we have as a House is to pass a budget, and I would think and, in fact, some might even suggest that passing a budget is the most important thing that we do every year in this House. I mean, it's kind of the piece of business that has to get done because if it doesn't get done, everything shuts down. We've seen how bad that can be in the United States, obviously, and in other places. In fact, passing a budget is so important, such an important homework assignment for this House, that if we don't pass the budget in this House, an election is called. That's how critical it is. It's a vote of nonconfidence if it doesn't pass. That's how absolutely essential passing a budget is

in the grand scheme of things in this Legislature. One would ask how we haven't passed one yet.

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

Are there any members who wish to speak to Bill 13?

**Mr. Saskiw:** It's an honour to be here tonight. I'm very excited to be here and to discuss this very important bill, Bill 13, the Appropriation (Interim Supply) Act. You know, the previous member gave a very riveting analysis of section 2 and section 3, which outlined the different budgetary amounts that we're going to be voting on today, and I'll be going through that a little bit later. I might need some energy soon to keep going.

I think it's important in this Legislative Assembly and I think people elected us here to do the appropriate due diligence and ensure that we spend every single dollar – it's not our money; it's taxpayers' dollars – very wisely. Earlier today we heard about, you know, how interest rates are at 2 per cent and you can have an 8 per cent investment, so you should be borrowing and borrowing and borrowing. You may get some things right; you may get some things wrong. The difference here is that we're dealing with taxpayers' money. It's not our money. If some members want to go and take a risk and borrow money and put it into some type of investment, that's their prerogative, but that's their money. It's not taxpayer dollars.

What we're debating here today is Bill 13. It sets out some sections which give Her Majesty the ability to pass certain sections here. I'll start with what I would say is the main section, section 2, operational, which states:

From the General Revenue Fund, there may be paid and applied a sum of \$5 396 930 000 towards defraying the several charges and expenses of the Public Service classed as operational for the fiscal year ending March 31, 2014.

One has to ask if the money was in fact spent wisely, if this government didn't blow the money on things like, you know, severance packages. We saw earlier this year that the CFO for Alberta Health Services had expensed something like \$600,000 for butler services, trips to all these exotic places in Europe, and so forth. He didn't even lose his job. He actually got a full severance package. He got a million dollars initial severance package and then \$10,000 a month for 10 years. If someone gets fired, you don't get a severance if there's cause. If you actually looked at the contract: entirely allowed. I know this sounds crazy, that someone could expense booze and butler service and repairs to his Mercedes and the taxpayer would be on the hook for that. Maybe that's why we have to supply Health with this number here. It's \$2.646 billion in operational spending. I would assume that that money that was blown by this government would fall under that operational budget.

You know, this isn't the only thing that we see money wasted on. We've seen it in the past under various capacities, whether it's municipalities or other institutions that were bullied to provide taxpayer funds to a political party. These are things that don't need to be spent, and if the government was wise on its spending, we wouldn't have to be asking for more money.

What I think would be alarming is if, you know, we went to our constituents and talked about the expending of close to \$5.4 billion and the fact that this would be done over only a couple of hours and the entire budget and estimates would be done over only a 10-day period, the complete lack of ability for people to hold the government to account, to dig into this information to ensure that taxpayer dollars are spent wisely. I think Albertans would be shocked that this government doesn't feel that it's a priority to ensure that every dollar is spent wisely.

We see the results. We see deficits and debt. At no point in April did anybody campaign on debt, but all of a sudden debt is great. I'm sure that the results would have been quite different if during the last election these members had actually campaigned on borrowing \$6 billion and then going into debt by \$17 billion by 2016. What this does is burden future generations. You know, it took an entire generation to pay off the Don Getty debt. Albertans worked hard to pay that off. They knew that there were significant cuts that had to be made to pay off that debt. Now we're just racking up that entire debt again, and it's going to take a whole new generation to pay off that debt.

I know some members opposite think that we should take a risk with money, throw it into carbon capture and storage. Who knows? That experimental technology may work. You know, it's not for us to experiment with taxpayer dollars. It's not for us to get in the business of being in business and expending taxpayer dollars like that.

8:00

What we see as well, despite going into a massive amount of debt, is a continuation of broken promises, and that's why we're here in Bill 13 asking for more money. They've still gone into debt despite promises. We saw recently a broken promise on highway 881, probably soon to become, I guess, close to the most dangerous highway in Alberta. Despite making those necessary improvements with extra passing lanes and turnouts, the government in a series of four months broke its promise.

When you can't trust a word that the Premier says when she makes a promise, how, then, do they have the audacity to come and ask for more money to spend on more things? You can't trust that that money will be spent wisely. You can't trust that promises will be kept. I know that perhaps there are some members here – we've seen the promise of a hospital in Whitecourt for three elections, and now there's a \$10 million line item for that. I don't think those residents are going to buy that again.

Just to go back to the bill, it's broken down into operational and capital. They've split it up. That seems to be the new way this government likes to act to try and come up with a definition that would somehow miraculously, because of a legal definition in the act, result in there not being a deficit or a debt. Going through the different monies that they're asking for, starting with the government side, you see that actually the first part of it under section 1 relates to money from the general revenue fund that's applied to the Legislative Assembly. We see here, you know, close to \$8 million to support the Legislative Assembly.

Of course, what we know is that the government has decided to spend over \$300 million on a brand new MLA office and an office for bureaucrats. I think that clearly isn't a priority. I'm not sure why in these so-called tough times – it depends on the time of day whether they call it a tough time or a good time and whether the economy is doing well but, regardless, pretty much any time – we should be blowing \$300 million on brand new MLA offices. In fact, I talked to my constituents about that, and I can tell you that they're dismayed when they hear that their money is being spent on that. They'd rather see the money being spent on front-line doctors, nurses, and those types of individuals. You know, they may like the fancy offices, and maybe there will be a rooftop garden and a movie theatre and all these kinds of things, but I just don't think that's a priority. It's a difference of priorities here.

You know, it's the same thing when cabinet gave themselves a 34 per cent pay raise. My constituents didn't feel that that was a priority. That money wasn't on their priority list. They thought that that money instead should go to front-line nurses, doctors, and

other individuals to ensure that Albertans had a significant amount of services that were being provided to them.

If you go down the list as well, of course, there's \$3 million for the Auditor General and \$368,000 for the office of the Ombudsman. What's interesting is the \$628,000 for the office of the Chief Electoral Officer. I can understand why that office would need more money. They had to hire a former retired Chief Justice. They've had to hire a couple of forensic auditors to look into an alleged \$430,000 donation to the PC Party, which would have represented a third of the money that they received in the previous election. There are a lot of expenses when you have to hire forensic accountants. There is a lot of money when you have to hire a retired Chief Justice. When you look at this line item, \$628,000, it would be interesting to know how much of that money is being spent on the various scandals that we have seen.

Before we vote on this, it would be, I think, important and pertinent to know how much exactly of \$628,000, which is in the schedule and is in reference to section 1 of Bill 13, is going towards investigating scandal. In my opinion, I think that, you know, if there are these investigations and it's only relating to one party, then perhaps taxpayer dollars . . .

**Ms DeLong:** Maybe you shouldn't make so many false accusations. Then we'll save some money.

**Mr. Saskiw:** I'm hearing in the background here about false accusations. In fact, the Chief Electoral Officer found numerous instances of illegal donations. Thanks for reminding me, though. It's important to recognize that, that it's actually the Chief Electoral Officer who made findings of illegal donations made to the PC Party. I appreciate your bringing that up.

Of that \$628,000 for the Chief Electoral Officer, how much of that money went to investigate those illegal donations that went to the PC Party? That would be an interesting analysis to have because normally, for example, in a court situation, where the judge finds that there's wrongdoing on a particular party, that judge would award costs to the losing party. In this case, the PC Party was found to have accepted illegal donations.

I would suggest that instead of spending 628,000 taxpayer dollars to give to the office of the Chief Electoral Officer, perhaps it's the political party that was found guilty of the wrongdoing that should have to pay for those extra expenses that went into the investigation. It's a significant sum. I mean, it's not as much as, you know, a million dollars that you would pay to go to the London Olympics, but \$628,000 is still a significant amount of money. I don't know how you would calculate it in terms of front-line staff, in terms of registered nurses or teachers and so forth, but it is definitely a significant amount of money.

The next line item in the schedule under the Legislative Assembly, which is in reference to section 1, is \$106,000 for the office of the Ethics Commissioner. Again, one has to question why this extra money is needed for the office of the Ethics Commissioner. Is it perhaps that, you know, he's had to announce a full investigation regarding tobacco litigation? Are there extra resources that his office has to expend to dig into the material, get all the contracts, interview witnesses, potentially hire contracted third-party help to get to the bottom of this?

You know, \$106,000: I mean, it doesn't seem like a lot, but I guess when you're spending someone else's money – this is taxpayer money – I think it's very appropriate, important that we closely scrutinize every single penny. Again, if it's \$106,000 to investigate the Premier's involvement in the tobacco lawsuit, one would argue that if there is a finding of wrongdoing, the wrongdoer would have to pay for the cost of the investigation. It's a very



important dollar amount that we're spending, and I think it goes again to the question of why we'd want to expend taxpayer dollars on these types of funds.

The next line item is the office of the Information and Privacy Commissioner. This is a much bigger one. For some reason in this section they combine operational capital and financial transactions whereas in the other areas they don't. My guess is that because, you know, we've had one of the governments that has been less than open and transparent, that has been recognized nationally as having one of the weakest whistle-blower legislation, that has some of the weakest access to information legislation, perhaps this \$753,000 of additional expenditures is needed to deal with the increased magnitude of the FOIP requests that the government is getting in the various ministries. It's a big amount of money. I don't know whether or not this is because they group the operational with the capital or whether this is more staff to deal with.

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

Are any members interested in Standing Order 29(2)(a)? The hon. Government House Leader.

**Mr. Hancock:** Thank you, Madam Speaker. One quick question. As we've listened to the litany that the hon. member has read from the bill, each time asking about extra money, I'm wondering if he actually understands the concept of interim supply.

**Mr. Saskiw:** Thank you, Madam Speaker. I know that the hon. House leader, you know, went to the same prestigious law school as I did, but I also got an undergrad in accounting. Surprisingly, I actually know some numbers. I would suggest that what we saw is a significant amount of expenditures. I'm glad he asked that question because when we look at the wasteful spending of this government, the fact that despite the five years of, I would suggest, record revenue in this province, unfortunately we're going into a situation of debt. We're back into debt.

8:10

**Mr. Hancock:** Not according to this act. Do you understand interim supply?

**Mr. Saskiw:** Yeah, not according to this act because there's some weird kind of definition that they're coming up with on deficit.

It's one of these situations where despite having all these resources, we're going back into debt. I mean, if they can't balance the books in these types of circumstances, in these times, when are they going to balance them? You know, the Government House Leader is talking about the litany going on here, but I think taxpayers, when I go to my constituency, are upset when they find out that there's \$2 million that Alberta Health Services spent on booze, the fact that in the last 17 months Alberta Health Services spent \$100 million on travel expenses and so forth. I think that it's right that we ask those questions, and I think it's important.

For him to be dismissive of that, that's fine. We can blow funds at any time, but I think it's important that we scrutinize it. The fact that he questions that we in the opposition have a right to question the supply of \$5.4 billion, that to question this type of expenditure somehow isn't a valuable use of time I think shines on the government's attitude when it comes to taxpayer money: let's not question this; let's just keep spending, keep spending.

I think that to dismiss those types of relevant concerns – we're trying to do our job to ensure that taxpayers' money is spent wisely. I think it's time that somebody actually do that. I think we've seen in the past that when you don't have a strong opposition, the government isn't held to account. They blow

money on things like \$2 billion on carbon capture, the money in experimental technology to pump CO<sub>2</sub> into the ground. These are the types of expenses that we see. We see \$300 million in brand new MLA offices. We see a million dollars on the London Olympics. We see all these types of expenses, and Albertans are wondering, well, how on earth someone could spend on these things, when they're talking about tough times and going into debt.

I think what's illustrated in this bill is the fact that, you know, in addition to this bill and budget estimates, with a \$4 billion deficit there's only going to be, I think, 10 days of scrutiny in budget estimates. Of course, I haven't calculated the exact hours, but it's a significantly fewer number of hours than in other jurisdictions. I think the other jurisdictions actually make sure that the appropriate due diligence is done to ensure that the money is spent wisely.

To go back to the Government House Leader's question in terms of Bill 13, I think it's very important, you know, the fact that we are going back into debt, not just back into debt but \$17 billion of expected debt by 2016, a significant amount of debt here, and the fact that this is an explicitly broken promise by the Premier. When I talk to people, they say that they can't trust anymore because of the litany. When he talks about litany, he should talk about the litany of broken promises that this Premier and this government have made. The fact is that we're dealing with a significant amount of money here. It's \$5.4 billion. I think that it's important that we here in the Legislature ensure that when we look at these numbers, we go through each line item to ensure that the appropriate level of scrutiny is done.

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

The hon. Member for Rimbey-Rocky Mountain House-Sundre.

**Mr. Anglin:** Thank you, Madam Speaker. I rise, and I'm opposed to the act, but I'm going to support the act. I have to. It's responsible in the sense that we've got to keep in operation. What's unfortunate is that it has come down to this, and it should not have come down to this. We could have easily been sitting earlier. We could have easily passed the budget earlier, so this would not have been necessary.

But I do want to say one thing about borrowing. We are borrowing. We're into the next fiscal year doing this, and in the next fiscal year we're borrowing. I mean, to say that this is not going to be part of that – we're just borrowing from the next year's budget, that we will approve in its entirety later this month, so it is part of that package. I have an issue with borrowing and how this government is viewing it.

Now, there's been a lot said, and someone over here talked about Greece, and the Associate Minister of Finance was quite offended. No comparison. Well, there is a comparison, and there's always a lesson to be learned. If you look at the Greece debacle, depending on how far back anyone would like to go, you can look at how it got into trouble. The reality is this. It got into trouble, and it took about 80 years to destroy the country, but it did run balanced books at one time. It was run somewhat efficiently, someone might argue very efficiently, but when they started centralizing and started basically co-opting all the various private institutions, the next thing you know, they started living on debt.

But where they really got into problems was when they started misrepresenting the debt. That actually started much later than 80 years ago. That started, like, 20 years ago, and that misrepresentation is what really took the country down. That has been consistent not just with countries; that has been consistent with private industries. That is a lesson to be learned because there's a

situation right here which is: what is the level of debt? This government now has changed the way it's going to start reporting its budget, and that's what we're approving here. We are no longer going to disclose the budget in the terms that we consistently have. We are now changing those accounting measures.

I'm going to talk about those in a second here, but there are significant lessons to be learned. I'm not seeing, really, the government party questioning this government on some consistency and some inconsistencies in its messaging, and that does need to be cleared up. You don't need to listen just to the opposition on this. There are very friendly reporters who have written some very articulate articles in the newspaper questioning how this government is now accounting for this budget, how it is representing its budget. That should raise alarm bells.

Here we are as a province, as an entity, and we're going to borrow to save. I don't get that. Now, I understand the concept that we borrow at a lower interest rate and lend money out at a higher interest rate, and I have to tell you that that doesn't change in the investment world. You invest, you buy low, and then you sell high, and you make money. Sounds real easy. How are you going to execute it? Where are you going to execute this? How is it going to be structured? You tell me this government's credit rating is outstanding – it is triple-A – but you have one problem now. Now you're in debt. You weren't in debt prior; now you're in debt. With that debt, we have one more significant factor that will affect our credit rating. Our operational budget is not balanced. It's in a deficit.

Now, that's not enough to drive our credit rating down, but that is enough to start raising eyebrows, and that's significant. Where are we going to go with this? Well, there is a plan in the budget to address these issues, but I have to tell you that the plan doesn't make sense. There needs to be more disclosure on how it's going to work. If the hon. members on the other side just think that the government can say this and it will happen – it doesn't work that way.

The idea that you're going to borrow money and put it into a savings account and earn more: just look at the heritage fund. I just looked at the transfers in one of the reports that was most recent. The history since 1978: we had the first five years of significant gains, a 17-year trend line of drops in the transfer rates of what monies were made and transferred into the government coffers, and it was sporadic after 2004, but there was a significant loss in that fund in 2002 and 2009. If that's how we plan on investing, I have to tell you that it didn't make a lot of money over the entire history of the fund, and we're just at a good time right now if you look at the returns, which is wonderful. The point is that that's not consistent. That doesn't always happen.

8:20

So how does this government plan on borrowing money? Well, it's not going to borrow at LIBOR. That's not the rate we're going to get. We're going to get LIBOR plus a basis point or prime plus a basis point. That gives us preferred status. I understand that. We have good credit. But how do we loan that money out when we say that we're going to loan that money out at a higher interest rate? Who are we competing with? Well, we're competing with the banks that have a credit rating just as equal if not better if you get into the minutiae of triple-A. We get involved with those institutional investors that are borrowing money, and it's interesting because there are very few people out there that borrow money on the market and loan it out and just consistently make a profit year over year over year.

As a matter of fact, some of the major scandals that showed a history of that ended up in a disaster because what happened was

that in their bookkeeping these institutions did not report consistently. I do not believe some of them intended to, but when they started to come forward with something like even this bill, which shows various figures – I focused on the \$2 billion in Health. Actually, it's 2 and a half billion dollars.

It's a significant figure, and that's all we know. We don't know the details of it. We don't know where it's going. We don't know anything about it. We're just told this is what we need to do. It may very well be justified, but it's not justified in the act. There's no explanation to really give us a full indication of: is this actually what is needed to get us by in this so-called supplement or so-called borrowing into next year's budget? It all depends on how you want to put the spin on it.

It's actually scary in many ways that we're going to say that we're going to go to the market, that we're going to borrow money and then loan money out at a higher interest rate. There's no stipulation whatsoever on who this government plans on loaning money to. What investments? What's the risk? I know the analogy of: well, I purchase a house; I get a mortgage. That's the analogy that has been used more than once in this Assembly. But I have to tell you that when I borrow money for a house, the bank wants to know what I want the money for. The bank wants to go out and look at the House or at least have it inspected and know that the money they're lending is going towards that house and that there's value in that house. They generally don't lend a hundred per cent anyway.

So we're going to go out to the market and borrow money. Is this government saying that we're not going to disclose to whom we're borrowing money from what we're going to do with that money? I don't think so. That's not logical. But there's no disclosure here.

Now, I understand borrowing the money to build bridges, schools, and that's what you want to do. You've disclosed that. But you haven't disclosed – or at least there's no indication that it's been disclosed – that you're going to borrow money to lend out to someone else at a profit. I have to tell you that any institution that lends out money is thinking: why would I lend money to this government to loan out for a profit when I could just skip this government and loan it out anyway on the market?

Now, there's another side to this. The market does have a saturation point. Companies and institutional investors who have significant credit ratings have the ability to shop the market for the best rate. If it's so consistent or if this government thinks that it can just continually do this and make money at a set rate, it's interesting to me because lots of institutions aren't able to do that that are far better than us and that even get the interbank rate.

Again, it's never been disclosed to us or to this Assembly what the rate would be that we would be borrowing on. What rates do we think we're going to get if we loan out a portion of that money? Who are we going to loan that money out to? Who is the market? I mean, that's a very valid question. You shake your head, but I have to tell you that these institutional investors are quite clever.

**An Hon. Member:** It's a stupid question.

**Mr. Anglin:** It's a stupid question. I know. I have to tell you that it's a stupid assumption to think that you can just automatically make money the way you think is so easy. If it was that easy, we'd all do it. It doesn't work that way in the finance world. It does not work that way. I'd introduce you to someone called the Lehman Brothers except they're not there anymore. Barclays bank: they're not there anymore. You laugh, but they're not there. You can't talk to them. You know why? They falsified their books. They got

into trouble. They got in way over their head, and they're no longer in existence. Now, we have the taxpayers that back us, but nobody has disclosed to the taxpayers how we're going to achieve this so-called miracle, that we're going to borrow money to make money by lending it out and nothing will ever change.

I tell you that there was a \$2 billion loss in our own heritage fund in 2009. That's significant. Now, we had some great gains afterwards. That's great. But you can look at the long-term trend of bonds or the long-term trend of the stock market, and I have to tell you that it goes up, goes down. There are some trends over the long term, but the fact is that relative to the cost of inflation it is not a guarantee. In the marketplace – I'm sorry – it's just not a guarantee.

Here we are getting back into the business, which is kind of odd because that's what the ATB is about. It's in the business of loaning out money and getting capital out there. Are we opening another bank? I don't know. It's not disclosed. How are we doing it? That's what I'm getting at. As the members kind of giggle, the mechanism of describing how they plan on doing this is not visible to us. It's not there. Shake your head all you want, but I have to tell you that whoever you're borrowing the money from is going to want to know, and you will have to disclose it. Unfortunately, this is not transparent.

That's what this debate is about. We're looking here at the budget going into next year, and we don't have a lot of answers on exactly what's going on. What we have are just set figures. I'm just going to take a quick time here because it is important. These are some significant disasters in the market, playing around with misreporting how the funds were handled. That's what I'm actually saying that this government is starting to do. When you start to disguise where your deficit is, if you start to disguise your debt – now, I'm making the allegation that that's really what's happening in this change of accounting. Now, you don't like the allegation – I understand – but if you look at what's even happening in the press, you've got multiple sources saying that the debt is at this level, and someone else is saying that the debt is that level. This government is saying that the debt is way down here. Clearly, it is not universal in the assumption of what level of debt this government is planning to engage in.

I want to look at some of the great scandals dealing with misreporting on their accounting systems the level of debt. Waste Management basically lost \$1.7 billion; Enron, \$74 billion; WorldCom, \$180 billion. All this was the result of the way they accounted for their debt, the way they accounted for and misreported dealing with how they were managing their money.

Madam Speaker, that's what's going on here. We are moving into next year's fiscal . . .

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

Standing Order 29(2)(a). The hon. Government House Leader.

**Mr. Hancock:** Thank you, Madam Speaker. I hate to prolong this – it's so painful – but I do want to ask the hon. member if he understands the concept that the heritage savings trust fund monies and other monies, pension monies, have been invested through AIMCo, which is a very transparent operation. They do a financial report. We're not actually borrowing money from the banks and lending it out other than perhaps through Treasury Branch and through the Alberta Capital Finance corporation. If he goes on their website, he'll see the interest rates that are posted on an ongoing basis. Entirely transparent.

8:30

This fiction that he's building, that the government is going to make money by borrowing money and then lending it out and

making money on the spread, is purely his fiction. If he actually believes that, then we're going to have some real troubles as we go through the estimates process and the rest of the appropriation process, and if the rest of his colleagues understand finances the way that he understands finances in terms of government, then we've really got a problem.

Now, I would offer to help him understand those financial statements and understand how government is financed and understand the fact that at any point in time if there's a problem with the return on the market, one can liquidate the assets they have and pay off their debts if they wish to. But it doesn't make sense to spend your money to build capital projects when you've got it invested and earning a return in excess of – what is it this year? – 7.1 per cent when you can borrow it at 2 per cent or 1.5 per cent. With the borrowing power that this government has, with the credit rating we have, and the fact that it's not going to be affected by going into debt – because the hon. member might understand that we've actually been in debt, that we actually have P3 projects, which are a form of debt.

We actually hadn't paid off the debt so much as carried the debt at the interest rates it was at and put money away to offset that. That was actually, if you'd read the papers, paid off, I think two weeks ago, the last of the old accounts, which weren't actually paid off because it made more sense not to pay them off. It made more sense to invest the money because we were making more money on the investment than we were paying on the debt.

The hon. member has a lot of reading and understanding to do about the financial side of government if that's his understanding of this whole issue of debt and debt financing and how you invest in capital over the generation of the capital, the lifespan of the capital, and those sorts of things. I would have thought that a man that has expressed in this House before seven or eight or nine or 10 different vocations that he's served in might have in one of those vocations seen a financial statement.

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

**Mr. Anglin:** Thank you, Madam Speaker. The member is correct. It does not make sense to me. I mean, it does not make sense. I did not come up with this. It's your government that said: we're going borrow money and lend it out. I mean, that's why I brought that out. I didn't make this one up, so you're a hundred per cent right; it does not make sense.

The second part. I'm glad the member said that they were in debt because I've always known they've had debt. I can show you the track record going back last year and the year before where this government denied it was in debt. As a matter of fact, there are some people from this government still out there denying that they're dealing in debt, and you are, see? I'm glad the member got up and mentioned that because that's really important. That's the issue. The issue is the debt.

Oops; no net debt. No net debt. I like that. It's how we fudge the numbers, and that's what I was getting to, the whole point. If you start fudging the numbers, you start believing your own witches' brew of bookkeeping. That's fine, but you're not going to sell that to the average public. You're not going to sell that to the institutions. What you're going to end up doing is risking knocking our credit rating down, and that would be silly given how good an economy we really have.

There's no reason that we have to have an operational deficit. From our party's perspective, there's no reason we need to operate in debt. Now, even the NDPs and the Liberals believe there's no reason to operate in debt. They just would continue spending, but they would raise taxes to make sure they balance the books.

Now, one of the members over there did bring up sometime earlier today a comparison with how our municipalities operate. I heard that, and I will tell you this. Having sat on a town council, one of my many occupational careers, when accounting we had to balance the books. It was required by law, and I think that's a good part of the MGA. It forces every community to balance their books every fiscal year. I just wish that we would stick with that on a provincial level. I really do. I know; don't fudge the books on me.

**Mr. Hancock:** You say that on one municipal council you didn't have a debt?

**Mr. Anglin:** What's that? Well, I mean, I know what he's saying.

**The Acting Speaker:** Hon. member, Standing Order 29(2)(a) is finished.

The next speaker for the Appropriation (Interim Supply) Act, 2013, the hon. Government House Leader.

**Mr. Hancock:** Thank you, Madam Speaker. This has been wonderful, but I would move that we adjourn debate.

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

**Mr. Dallas:** I'm informed that I have the ability to move that we adjourn debate.

[Motion to adjourn debate carried]

### Government Bills and Orders Committee of the Whole

[Mrs. Jablonski in the chair]

**The Deputy Chair:** I'd like to call the committee to order.

#### Bill 11 Appropriation (Supplementary Supply) Act, 2013

**The Deputy Chair:** Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Airdrie.

**Mr. Anderson:** Thank you, Madam Chair. I am thrilled – thrilled – to be here tonight to speak to another appropriation bill. With all this money flying around, it's hard to keep track, but this is Bill 11. Are we on Bill 11? We're on Bill 11, right? Just wanted to clarify that.

This is a bill of the First Session of the 28th Legislature, 62 Elizabeth II, and Bill 11 of the Legislative Assembly of Alberta in the year 2013, and it is the Appropriation (Supplementary Supply) Act, 2013.

We're in Committee of the Whole. As my illustrious colleague from Little Bow pointed out so astutely, when the mace goes down . . .

**Mr. Donovan:** The party is on.

**Mr. Anderson:** . . . the party is on. We're in committee. That's right. So here we are in committee.

I think that it's incumbent upon us to review this bill carefully. We have three pages of bill to cover here, so we'll get started. The bill starts out in Bill 11 here on page 1. Again it shows the title, and I know we vote on the title and the preamble in the bill, so I think it's important that we examine the titles and the preambles of these bills appropriately. The title of the bill is, again, the

Appropriation (Supplementary Supply) Act, 2013. It has a little space there. It's going to be assented to sometime in 2013. There's a little space where I think they're going to put the date once it's assented to.

8:40

It starts out pretty graciously by saying, "Most Gracious Sovereign." Then we go into the preamble, which we also vote on. It says:

Whereas it appears by a Message from His Honour Donald S. Ethell, Lieutenant Governor of the Province of Alberta, and the Supplementary Supply Estimates accompanying the Message, that the sums hereinafter mentioned are required to defray certain charges and expenses of the Public Service of Alberta not otherwise provided for during the fiscal year ending March 31, 2013 and for other purposes relating thereto:

May it therefore please Your Majesty that it be enacted and be it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Assembly of Alberta, as follows:

This preamble is a good preamble. I think it's mostly something that we can get behind. I won't speak for my honourable colleagues, whether they think this is an acceptable preamble or not. We have free votes in this caucus, and if this is not acceptable, it's not acceptable. But I will certainly want to be on the record as voting for this preamble at some point in the future.

**An Hon. Member:** You like it?

**Mr. Anderson:** I think so. I like it so much that I'm going to make sure I stand and vote on it.

**The Deputy Chair:** Hon. member, when you turn away, we can't hear you because you're not speaking into the mike, so through the chair, please.

**Mr. Anderson:** Sorry. We're talking about the preamble. You're right.

All right. The next section is Expense. In section 1, which is the expense section, it specifically says:

From the General Revenue Fund, there may be paid and applied a sum of \$401 004 000 towards defraying the further charges and expenses of the Public Service classed as expense for the fiscal year ending March 31, 2013, not otherwise provided for, as shown in the Schedule.

Schedule. Some people say 'sked-yool'; some people say 'shed-yool.' It really is a matter of preference.

In the next section, which is section 2, there's talk of capital investment, and it says:

From the General Revenue Fund, there may be paid and applied a sum of \$54 996 000 towards defraying the further charges and expenses of the Public Service classed as capital investment for the fiscal year ending March 31, 2013, not otherwise provided for, as shown in the Schedule,

or 'shed-yool,' whatever your preference.

This is a very curious section. You know, it's interesting. If you look at Bill 13, which we were just at, and compare the two, it's very interesting. We have a preamble. Those match. If you kind of hold up your Bill 13 and Bill 11, you'll notice – you can follow along with me – the preamble is the same. It has the exact same wording, really, verbatim.

Then it goes into section 1. It talks about expenses in Bill 11, but in Bill 13 you'll notice that it splits operational and capital. Then in Bill 11 it changes it a little bit. It's different in Bill 11. It's expenses, capital investment, and nonbudgetary disbursements and stuff. So it is different. They're similar but different.

I think one of the reasons that they're different is because they do different things. An interim supply bill, which we've been talking about for a little bit, of course, approves money to be spent by the provincial government and does so from April 1 on. It's kind of a way of making sure the bills get paid prior to the actual budget being passed. Supplementary supply, of course, is when extra money is needed or when they need to move money between departments with the budget that had been previously passed the year before.

You'll notice that the language has already changed. They talk about expenses here, capital investment, in Bill 11, which had to do with the old budget, but when you go to the new budget, they've already changed it. It's operational and capital.

It's kind of neat to see history being made because if you put Bill 12, the big connector, how Bill 11 gets to Bill 13 – there's a bridge between the two, and it's called Bill 12. It's kind of like this. It kind of looks like this, and Bill 12 is the reason why the language changes from Bill 11 to Bill 13. In Bill 13 now they talk about operational expenses. Just like the operational deficit and all that, it's split into operational, capital, and savings. It's just interesting how we can see so visually the efforts of the government to move Bill 11 to Bill 13 and how that was accomplished. They're like bookends on this. Very interesting indeed.

Back to the bill and the sections in the bill:

From the General Revenue Fund, there may be paid and applied a sum of \$5 396 930 000 towards defraying the several charges and expenses of the Public Service classed as operational for the fiscal year ending March 31, 2014, as shown in the Schedule,

or 'shed-yool.'

Capital is, then, the next section, and that's section 3. It says:

From the General Revenue Fund, there may be paid and applied a sum of \$1 395 252 000 towards defraying the several charges and expenses of the Public Service classed as capital for the fiscal year ending March 31, 2014, as shown in the Schedule,

or 'shed-yool,' depending on how you want to pronounce the word, of course. We respect that diversity of choice in how we pronounce that word.

Section 4 is financial transactions, and it talks about:

From the General Revenue Fund, there may be paid and applied a sum of \$72 133 000 towards defraying the several charges and expenses of the Public Service classed as financial transactions for the fiscal year ending March 31, 2014, as shown in the Schedule,

or 'shed-yool.'

Accountability, section 5:

The due application of all money expended under this Act shall be accounted for.

That's important. It's important that the due application of all money expended under the act shall be accounted for. I mean, if it wasn't accounted for, God help us.

So we move to the schedule, or 'shed-yool,' and we look at the different votes that we're going to be voting on, and you notice that not all – oh, look what I've been doing. Shoot. Madam Speaker, I am terribly sorry. I was reading from Bill 13. My apologies. In my effort to show and document how Bill 12 is the joining document between 11 and 13, I mixed them up. So back to Bill 11.

**An Hon. Member:** What's the preamble?

**Mr. Anderson:** Well, we've already covered the preamble. I don't want to belabour things unnecessarily.

Under Expense in Bill 11:

1. From the General Revenue Fund, there may be paid and applied a sum of \$401 004 000 towards defraying the

further charges and expenses of the Public Service classed as expense for the fiscal year ending March 31, 2013, not otherwise provided for, as shown in the Schedule,

or 'shed-yool.'

Then we talk about capital investment.

2. From the General Revenue Fund, there may be paid and applied a sum of \$54 996 000 . . .

In Canadian dollars, one would assume.

. . . towards defraying the further charges and expenses of the Public Service classed as capital investment for the fiscal year ending March 31, 2013, not otherwise provided for, as shown in the Schedule,

or 'shed-yool.'

Nonbudgetary disbursements. You'll notice that in Bill 13 they have "financial transactions." Here they are have "non-budgetary disbursements." Interesting. Coincidence? I think not.

3. From the General Revenue Fund, there may be paid and applied a sum of \$77 451 000 towards defraying the further charges and expenses of the Public Service classed as non-budgetary disbursements for the fiscal year ending March 31, 2013, not otherwise provided for, as shown in the Schedule,

or 'shed-yool.'

Then accountability. This is noteworthy. In the accountability section, it says:

4. The due application of all money expended under this Act shall be accounted for.

This is identical to what is in Bill 13. Identical. Not a difference other than that one is section 4 of this act and then the other is section 5 of the other act. So there is a small difference.

**8:50**

When we think about Bill 11, we cannot really understand what's in Bill 11 until we examine the schedule, or 'shed-yool,' as it is otherwise known. Under the votes that we're going to be voting on eventually in this House at some point in the future is Education, where \$24,289,000 has been expended; Enterprise and Advanced Education, where \$30,900,000 was expended, with nonbudgetary disbursements of \$77,451,000. Then under Environment and SRD – SRD is an acronym for Sustainable Resource Development – there is an expense there of \$286,497,000 and then capital investment there of \$16,010,000. Now, if you look under Municipal Affairs, the expense is \$59,318,000. Under Transportation you have capital investment, which is \$38,986,000.

That means that the amount to be voted for under section 1 – that would be the amount of expense, or operational, as it's called in Bill 13 – is \$401,004,000. The amount of capital investment to be voted under section 2 is \$54,996,000. The amount of nonbudgetary disbursements to be voted under section 3 is \$77,451,000.

I didn't know we were going to go back to this bill so quickly, so I didn't bring with me – and I'm wondering if any of my colleagues have – the estimates for supplementary supply.

**Mr. Wilson:** Would you like to refer to these?

**Mr. Anderson:** Yes. That is correct. I do have them thanks to the hon. Member for Calgary-Shaw, who is a gentleman and a scholar.

It is important here because this is one of the main differences between Bill 11 and Bill 13. In Bill 11 we actually get to see a little bit about what is included in this amount more precisely than in Bill 13, which we can't really know because in the real estimates binder that we get with the budget, it's the whole amount for the year.

Again, we don't know how much money is going where, when, and so forth, so it's a little bit more difficult to tell.

Because this is Committee of the Whole, I think that a thorough review of the supplementary supply estimates from the general revenue fund, which was presented by the hon. President of the Treasury Board and Minister of Finance in this Assembly of Alberta on March 5, 2013 – we need to examine this and understand it as fully as humanly possible. I think that sometimes these things get glossed over, so this is an opportunity for all of us to take a look at these things. One might notice on the other side that we got through second reading of this bill so fast. I think there was an overall spirit of trust and co-operation that existed in the Leg. Assembly at that time – there was good dialogue and co-operation – but since then it's kind of broken down a little bit, and it's unfortunate.

Because that trust has broken down, unfortunately, when we don't have that trust, that means we're going to have to do all the work ourselves and make sure that every t is crossed and i is dotted. That's important. When we have teamwork in this Legislature, I think that we get a lot more accomplished. Good things happen. But when we're bullies in this Legislature, good things don't happen anymore. Things slow down to a grinding halt. As an opposition party you have very little recourse to look over things like this, like the supplementary supply estimates of 2012-13. When you have that trust, you can go through these supply estimates real quick, lickety-split, and people can go home early, relax, put their feet up at 10 o'clock instead of God knows when. It is important that we go over this and make sure that we're doing our job appropriately, so we will do so.

The first part of the supplementary supply estimates is the preface. The preface is important because it comes first in the document and gives us kind of some background information and so forth, and that's a good thing. There's nothing wrong with a preface. It's good to have a little base information out front to help us along this journey. In the preface one of the paragraphs, if you look at the beginning of it, specifically states – and this is why Committee of the Whole is so great. You look at every single clause in the document and the information that relates to that clause, so you can really dig down deep into every possible nook and cranny.

In the preface it mentions – it says right up front – that the 2012-13 Supplementary Supply Estimates reports the additional requirements for public monies to fund the operations of the Government for the year ending March 31, 2013. The estimate amounts presented in this report are supplements to the original estimate amounts provided by the Legislative Assembly in the Appropriation Act, 2012 as detailed in the 2012-13 Government Estimates.

That's an interesting paragraph. It's a very good explanation of what supplementary supply estimates are, which is a good thing to note. I think anybody coming into this Legislature could read that and say: "You know what? I understand what supplementary supply is." That's good. That's solid. So I think we should leave that in there. If we could vote clause by clause, I would vote for that clause. That's how clear it is.

The next paragraph, under the heading Information Presented, is also important to look at. It says, "This Preface outlines the role of this report in the appropriation process for supplementary supply."

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

Are there any other members who wish to speak? The hon. Member for Lacombe-Ponoka.

**Mr. Fox:** Thank you, Madam Chair, and thank you to my fellow Member for Airdrie. What a wonderful, wonderful speech. Very enlightening. I learned a lot about Bill 11.

I also learned quite a lot about Bill 13. You know, I'm kind of looking at the differences in the bills here, pre Bill 12, post Bill 12. I'm noticing that there are some things that I liked in Bill 11, which would be pre Bill 12. When I look at it here, we actually have supplementary amounts by program. In Bill 13 we just have a line item.

Let's take Education, for instance. Here we're talking about Bill 11. Under Education, the expense, the supplementary amount by program, under vote 2, operating support for public and separate schools, 2.1, operational funding, the current estimate is \$2,488,140,000. The estimate in extra that they need is another \$9 million, which brings the total up.

You know, in Bill 13 that doesn't exist. We actually have some transparency here in Bill 11. In Bill 13 we have none. We just have a line item for \$762 million under operational and under capital, \$101,000,500. It just baffles me why we can be so transparent in one bill and hide what we're going to be spending on in another. It's frustrating, and, you know, I think it's frustrating to Albertans. They want to see what their government is spending on. You want to be able to recognize what those funds are going to, that those taxpayer funds are actually going towards something that the Alberta taxpayers approve of.

**9:00**

I mean, Bill 11 fosters a bit of trust. With Bill 13 it's just: "Trust us. We seem to think we know what we're doing." You know, I don't really agree with that. I got into politics because I wanted to see transparency. I wanted Albertans to know exactly what it was their government was doing, how they were doing it, and what they were spending on it. Bill 11 does that. You're asking for extra money. Though we may not agree that the government should need extra money, that they maybe should have come in on budget on some of these things, at least it's being responsible and it's giving some level of transparency and accountability back to the taxpayer, who we are ultimately here representing.

Now, you know, we did a lot of talking in the last session about public interest, and this is what public interest is, transparency. This is why we have a new associate minister on the other side whose job is accountability, transparency, and transformation for this government. Well, where is it? Why is it that the new method of reporting doesn't have these breakdowns of line items like expense by program, that I was referencing earlier. I just don't understand it. We're supposed to be becoming more transparent, not less, yet with Bill 12 we seem to be losing that transparency.

Let's move on and keep talking about this Bill 11, Appropriation (Supplementary Supply) Act, 2013. You know, the bill is tabled every year because ministries find that they do need some additional resources, some additional funds because they didn't quite get it right. The government needs some more money.

In Education we're looking at a total of \$24 million; \$12 million is to offset increases in student enrolment, another \$12 million is for Alberta's contribution to school construction in Lloydminster. It's great that Lloydminster is getting a school that's desperately needed. You know, it's wonderful to see that the government is actually building a little bit of infrastructure. I don't know if they plan to build in a few other places. I know of another couple of communities that, well, are going to have some problems with enrolment in the next year or the next two years because their population is far, far exceeding the ability of the current infrastructure within those communities. But those problems were seen. It just seems kind of funny that there hasn't been a shovel in the ground even though some of those communities were promised schools years ago.

Enterprise and Advanced Education is going to be getting another \$107 million; \$17 million is for new completion grants and student assistance. Now, it's great to see that we're supporting students here in the province. It's also interesting, though, that with the actuarial data that's on hand, we couldn't foresee this coming earlier in the year. I guess we're going to ask for more money later on, again something that government seems to be good at: asking for money after they've spent it. So \$13 million for basic infrastructure upgrades at the University of Alberta and \$77 million for higher student loans.

Environment and SRD is going to get another \$302 million over and above what they budgeted for in 2012-13; \$258 million is for emergency firefighting costs as a result of the wildfires last year. Well, that can't be helped. I mean, acts of God do happen, and it's a good thing that we can step up and fight those fires. There is \$40 million for emergency spending to fight the mountain pine beetle. Well, again, we're protecting Alberta industry, so I guess I can agree with this one as well.

**The Deputy Chair:** Excuse me, hon. member. I hesitate to interrupt you, but the noise level is getting a little high. Can we keep it down, please? If you have to speak in your full voice, you're welcome to go out into the exterior rooms.

Thank you very much.  
Carry on.

**Mr. Fox:** Now, this last line, since I'm a bit of an air enthusiast, kind of interests me: \$16 million in capital spending to convert a CL-215 air tanker to turbine engines. Well, you know, I love aircraft. I've spent quite a lot of time sitting around airports watching them fly overhead and going to the different air museums. You know, it is quite the hobby of mine. In fact, I've built a few models and done a little bit of flying when I've had the opportunity, and it's wonderful. Now, the \$16 million capital spending to convert to turbine engines. Well, aside from that I don't think the average taxpayer knows exactly what that's for, I would hope that there would be a little bit more information coming up in budget estimates as to exactly what that is and why those air tankers had their engines upgraded.

Municipal Affairs. Well, they need another \$59 million over and above last year. That was for some disaster recovery as well that had to do with wildfires and wildfire assistance programs. I don't see any real issue with that.

Transportation is going to get another \$39 million as well. Now, Transportation is interesting. My father worked in the transportation industry. I've seen a lot of the highways here in this province, and I've seen a lot of the province itself, and what a beautiful, beautiful province it is. So what are we spending this extra \$39 million on? Well, it's for continued construction of the Anthony Henday and the Stoney Trail around Calgary and \$28 million for improvements to the northeast Alberta transportation corridor, so highway 63. We've heard a lot of that in the last little while, so I'm kind of happy to see that we're trying to make that highway a little bit safer for those that are travelling it.

Again, I did like in Bill 11 that these things were broken out. We can look through it. We actually know what this money is going to be spent on. When you look at Bill 13, the Appropriation (Interim Supply) Act, 2013, again all we have are these line items. Let's kind of flip through this thing and see what all is in here. Infrastructure: operational, \$71 million; capital, \$159 million. Very interesting. I wonder what this is going to be spent on. I'm really not quite clear on that in this piece of legislation, but I am clear in Bill 11 as to what those funds are going to be spent on.

It's quite interesting, the connection between the two that the hon. Member for Airdrie was speaking about in Bill 12. You know, Bill 12 significantly changes the reporting features back to the Alberta taxpayer. What we're looking at in Bill 11 is what the rules used to be. The government used to have to disclose this kind of information to the taxpayer, so the taxpayer did know what we were spending those funds on. Bill 13, on the other hand: no such accountability, no such transparency. The taxpayer really has no idea exactly what those dollars are being spent on, but they're being spent anyway.

Now, I know my colleagues over on this side of the aisle will do our best to try and get some of that information out of the government ministers on the other side there, but it would just be a whole lot better for the Alberta taxpayer if this information was given up front and not having to have it arm-twisted out of the government. You know, this information is something that the province of Alberta used to pride itself on giving out. I mean, we were the province that set ourselves apart from all other provinces when it came to financial transparency and the reporting of financial documents in this Legislature.

What happened? What happened to this province? I mean, under Klein this was unthought of; this was unheard of. But here we are today. We're looking at just strictly numbers, no real identification of what that money is going to be spent on, no real set of priorities, no real transparency back to the taxpayer so they can evaluate what the government is doing. We now just have clouded documents. Instead of one set of books we have three. Shameful.

9:10

Had I in my past position given such little information back to the shareholders of the company, to the president of the company, and to the board of directors, that would've been the end of my job right then. They'd have paid me my severance, and I'd have walked right out that door. They'd have hit me on the bum on the way out, too, probably.

I just can't understand how a government that's running a \$40 billion company doesn't think that it needs to give that level of detail, that it doesn't have to explain exactly what it's spending those dollars on. Just a line item. Just a line item like in your appropriation Bill 13 here, that says: "Operational, capital & financial transactions, \$7,827,000." That's it. No information behind it. Nothing to tell the taxpayer exactly what those dollars are being spent on, unlike Bill 11.

In Bill 11 we have a breakdown here. We know that the money is actually being broken out into different programs. You know, I guess I like the format in Bill 11. I like what's in Bill 11. I like how it's presented, though I don't always agree that we should have to be spending more money. I mean, we're already in a deficit position. Do we really need to be spending more, or should we have shown some fiscal restraint earlier in the year? Yes, I do believe the government should have shown some fiscal restraint earlier in the year. However, we're past that now. The money has been spent. We now have to look at paying the people that have done the work for us, so we have to look at passing Bill 11 now.

Now, Bill 11, the supplementary supply estimates, is money coming out of the general revenue fund. You know, it's funny that that's coming out of the general revenue fund. I mean, clearly, now we're borrowing money, so we're not exactly in a revenue position; we're now coming into a deficit position.

With Bill 13 we don't see any of the breakdowns that we saw under the supplementary supply estimates, just line items. So I guess we're going to have to ask a few more questions of our ministers or a lot more questions of our ministers when we sit

down in the budget estimates so that we can clearly find out exactly what we are spending on in the budget because under the Appropriation (Interim Supply) Act, 2013, we're not given any of that information. We're being asked to pass that bill prior to having all of the relevant data. You know, I just find it frustrating that there isn't the level of transparency in Bill 13 that there is in Bill 11.

I guess with that, I will stand here and say that, yes, I will support Bill 11 so that the government can get on with its business and pay the people that have done the work for the province in the last fiscal year.

I thank the chair for the opportunity to stand up today and make these remarks to the Legislature and to support Bill 11, the Appropriation (Supplementary Supply) Act, 2013. Thank you.

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

The hon. Member for Edmonton-Calder.

**Mr. Eggen:** Well, thank you, Madam Chair. I appreciate the opportunity to speak on Bill 11, the appropriation act. I have just a few brief comments in regard to this act allocating quite a significant amount of money, \$533,451,000, for the additional funds for 2012-13, breaking down into \$401 million for operations, almost \$55 million for capital investment, and \$77 and a half million for additional disbursements. I know that the intention behind this debate is to talk about accountability and specifically the need for the Legislature to approve these additional funds that each department needs beyond its original investments.

I just wanted to bring to attention a couple of things. First of all, I guess, some frustration that our caucus had experienced in regard to getting the information on this Bill 11, Appropriation (Supplementary Supply) Act, 2013, and debate particularly in Committee of Supply, which I was made to understand was rather frustrating and disappointing as well through a number of different areas in regard to accountability. I guess there was one minister scheduled, the Minister of Aboriginal Relations, to respond to all of the questions regarding the supplementary supply although we were looking for that to break down into each of the ministries and have individual conversations about each ministry and how they were spending this money of additional supply.

As *Hansard* did record that meeting, members from all opposition parties did ask specific questions about each program that is requiring the supplementary funding, and we could only get a reply that they would convey those questions to the appropriate ministers. Needless to say, accountability would have meant that the appropriate ministers were in the House and ready to speak on unforeseen costs incurred by each of their respective departments. I don't see this happening here, which is unfortunate. My colleague from Edmonton-Beverly-Clareview had asked a series of questions about these supplementary supply estimates, but we've yet to get any of the answers to any of those questions.

You know, I again would perhaps encourage the government to give this. It's almost as if this is a microcosm of the larger budget issue that we have in regard to following a process of rigour – right? – where we can talk to each of the ministers and have enough time and space to go through each line item to give the budget its due. That applies to the \$40 billion which is our universal budget coming up but also to this \$533,451,000 allocation coming through the appropriation act here in Bill 11.

Just for example, some of the things that I see on this supplementary request. We have Education asking for \$12 million for unexpected student enrolment. Again, that's an interesting line item. It would be something that we could certainly pursue in

some more detail to find out where and how many more students are coming to each of the school districts and, you know, perhaps how we can break that down to extrapolate that information to build an appropriate Education budget for next year to accommodate for what we know is a large increase in student population in most areas of the province.

This is an interesting line item from this supplementary request that I think tells us what we need to really do with our global 2013-2014 budget, which is to have sufficient funds available to meet the increased enrolment that our province is experiencing in terms of students. Not just the per student grant but to have the additional teachers and buildings and support staff and so forth to meet all aspects of that unexpected student enrolment growth.

**9:20**

The other line item in the Education portion of the supplementary request is in regard to school construction in Lloydminster, which is great. It's one of the very large growth areas in our province. That's all well and good, but again it just brings to mind the many more schools that we could use from Fort McMurray to Grande Prairie, you know, Edmonton, Red Deer, Calgary, all of these places that are experiencing this unprecedented growth, and how much of a gap there is between new school construction and how many kids we have requiring spaces here and now. I mean, that one line item here in the supplementary request, again, is like a little beacon that goes off to remind us of just how it's not appropriate to be having a cutting budget in this next fiscal year. It's just out of touch and out of scope with the growth in our economy and the growth in our population here in the province of Alberta.

The next line item that I thought was interesting in this supplementary request bill was \$30.9 million for Enterprise and Advanced Education, which included \$17.9 million for new completion grants, expanded part-time grants, increases in program delivery support within student assistance programs as well as \$13 million for basic infrastructure upgrades at the University of Alberta, including the Devonian Botanic Garden, the new Islamic garden, which is being partially funded by the Aga Khan. There is a \$76 million nonbudgetary disbursement in the advanced education budget for student loan disbursements and \$1.4 million to cover an encumbrance from higher than anticipated student loan disbursements from two years ago, and so forth.

Again, you know, it's like a beacon telling us exactly how the growth rate in advanced education is quite phenomenal – we see increased enrolments in our universities and colleges across the province – and that there's a need for more support in those areas. So to see the significant cut to advanced education in next year's budget, which we'll be debating here next week, is completely out of step with both the needs and the desires of Albertans to obtain some sort of advanced education degree or supplemental courses.

I just think that, again, we could be using Bill 11 as a way by which to remind us of how the budget should go here in the province of Alberta for this next fiscal year. I know that the government has been trying to frame this idea of the necessity for cuts because of a problem with revenue, but it's a question of in what scope you're willing to look at our revenue here in the province of Alberta and make honest choices about how to increase our taxation base for extraordinarily wealthy individuals and for large corporations that are making extraordinary profits as well. Just by touching and addressing those two areas in an honest and reasonable way, we could come very close to balancing this budget, right here and right now, without having to make cuts to



advanced education and to put a freeze on K to 12 education, which is basically a cut, and so forth.

Again, Madam Chair, this supplementary request should be, perhaps, a wake-up call for all of us to realize that we need to build a budget that reflects the increase in the GDP of this province, the gross domestic product, and the inflation that comes from that and the increase in population in the province of Alberta, too.

You know, it's interesting because there are more and more people from interesting quarters that are acknowledging this problem and this gap of our budget not reflecting the economic and fiscal realities in our province. I just hope that within these next few weeks reasonable and thoughtful individuals from all sides will come to a compromise so that we can not only come close to balancing the budget for this next fiscal year but start to build a framework by which we can ensure the security and safety of the population of Alberta, to know that we will balance our revenues and expenditures for the next number of years here in the province.

I see as well in this supplementary request that Environment and Sustainable Resource Development is requesting some monies. There's \$17.4 million for the joint Canada-Alberta implementation plan for oil sands monitoring, which is fully offset by revenue from the oil sands industry, which is fine, and \$258.6 million of emergency spending for firefighting costs as a result of high wildfire hazard levels and higher fire activity in forest protection areas. Now, certainly, this is a fine thing to have in supplementary supply, Madam Chair, but I can't help but notice a pattern of wildly underbudgeting emergency service lines in the budget for this next fiscal year and then having to really put most or all of those monies into supplementary supply.

We know, being a large province with many different regions and different ecosystems and lots of industrial activity and high population growth, that we can expect emergency spending to come back the next year in some reasonable facsimile as it was the year before. For us to not budget for emergency spending in keeping with the patterns of previous years I think is not entirely responsible, really. We see this once again reflected in this supplementary supply request for \$258.6 million for firefighting costs. I mean, I'm not suggesting by any means that this is not money well spent. It's absolutely necessary. I'm just saying that it might as well be reflected in the budget as part of a pattern of spending for emergency funds over the last five or six years. It would be easy to figure that out.

There's another one, \$39.75 million for emergency expenditures around the mountain pine beetle infestation. Then there's \$16.01 million requested for capital investment to convert an air tanker from piston to turbine engines. Again, you know, not unreasonable by any means, but on that emergency side I think there's a way by which we could approximate that in the real budget and not have to deal with it or worry about it in supplementary supply.

In regard to the Municipal Affairs line items in this Bill 11 I see about \$59 million requested for disaster recovery. Again, I've already talked about that. Then there's \$530,000 for the Whispering Pines lodge in Grande Cache. I'm not sure what that exactly is all about.

The Transportation supplementary amount includes a \$38.9 million request. There is \$99.9 million for the Anthony Henday and Stoney Trail ring roads and then \$28.6 million for the northeast Alberta transportation corridor, which includes the twinning of highway 63.

Madam Chair, just in sum, then, I'm saying that we can learn a lot from the supplementary requests to help to perhaps put together a more sophisticated global budget for this next fiscal

year. I'm talking specifically about emergency spending, something that I think we should be more honestly reflecting in the overall budget instead of in supplementary. As well, the obvious growth in education and advanced education that's reflected in this supplementary supply tells me in no uncertain terms that the idea of ostensible or actual cuts in either of these areas is neither prudent nor responsible nor reflects the needs of our province at this time in regard to both K to 12 and advanced education.

Those are some of the comments I had come up with, Madam Chair, and I am very happy to get my chops going on the budget analysis that is coming in the next few weeks. Thank you very much.

9:30

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

The hon. Member for Calgary-Mountain View.

**Dr. Swann:** Thanks very much, Madam Chair. It's my pleasure to get up and speak on supplementary supply, Bill 11, as I have on previous occasions. I think this is really a discussion about not only spending money but how we deal with the public trust, how we manage the long-term public interest and ensure that we are prudent, responsible custodians of the public well-being and the public purse.

Just for the record I'll itemize some of the items that are requesting extra funding beyond the budget: Education, \$24 million and change; Enterprise and Advanced Education, \$30 million plus \$77 million in nonbudgetary disbursements; Environment and Sustainable Resource Development, \$286 million and another \$16 million in capital investments and emergency funds; Municipal Affairs, \$59 million; Transportation, \$39 million roughly; for a total of \$401 million.

It's obvious to me as a householder that it's impossible to plan for every contingency, and one has to acknowledge, especially in areas of disaster, that we have no particular ability to manage accurately what we're going to have to spend. But I was pleased to see that at least there were some budgeted elements here that reflected some sense that we were going to be spending on disasters, which we have every year. While it was underestimated, there was an attempt.

I said that we're here to talk about money, how much we have and how much we spend. We're also here to talk about public trust, how much government decisions reflect the long-term public interest, even these short-term budgetary extras that come into play from time to time. There are three levels at which I think people have become skeptical of government: how much they're acting in the public interest, how much they're acting in the private interest, and how much they're acting in self-interest.

I think it's been clear to me over the last seven or eight years that the level of public trust has dropped to an all-time low in relation to financial management. The question about extra needs without more detail makes it very difficult for the opposition to actually say yes or no to some of these extra demands that could or should have been anticipated. In politics, Madam Chair, trust is the only real currency, and I think Albertans present and future deserve to know that their resources, their people, their property are being managed better. Never have I heard such discouragement in the public about the way we are managing our resources, our future, and our fiscal house.

Government's role, in my view, is to meet the key values of Albertans. Consistent with the Alberta Liberal caucus let me outline about six key values. One, pay yourself first. Save, pay for essentials, invest in research and innovation to allow you to make the changes that inevitably come with living. Two, bring in an

essential, sustainable revenue stream to meet our obligations to people and planet. Three, ensure we have a fair and sustainable tax structure. Four, acknowledge the reality that each of us succeeded because of our access to public services: education, health care, supports of various kinds, roads, benefits to being in Alberta in terms of access to justice, and various special-needs services. Five, responsible oversight of spending: making statements easily accessible, transparent, and accountable – that’s what builds trust – with checks on spending and bonuses and waste that are acknowledged and easily recognized and applauded by the public. Six, opportunities for business to innovate and develop.

I would have to say that this government meets the mark on one or two of these but not on all, and this is what is so distressing, I think, to many of us as we look into our last few decades of life and look at our children’s future. The management of our supplementary supply is a reflection, I think, of how we manage our finances. Looking at how this government manages its finances relative to a corporation has been a real eye-opener to me. I used to be part of a medical partnership of six physicians, and we had to do some level of financial management budgeting. I think all of us have some sense of what a household budget and management looks like. It’s hard to accept the level of inconsistency and lack of long-term public interest that’s reflected in our budgets here.

The government actually refuses to do its job, beginning at the top, making tough choices that will meet these six fundamental values. Despite the many accolades this government has given to great leaders like Peter Lougheed, they continue to ignore his example and live off the avails of our nonrenewable resource wealth; 25 years without savings. It’s hard to understand how they are making these decisions, and the only way I can put it into context is that they are unable to put the public interest ahead of private interests and personal interests. That’s a recipe for the end of a political dynasty, and I think that’s what we’re headed for, Madam Chair.

The government is ideologically stuck on the lowest taxes in the country, falsely believing that this attracts the oil industry, and continues its mean-spirited approach to the most vulnerable in society, the society that is actually grounded on the most valued resource, human beings. Hungry children, neglected seniors, the disabled, and the mentally ill not getting appropriate supports means that we are all paying much more heavily in this society for the end result of neglect.

Alberta could bring in another \$68 billion in taxes and still be the lowest-taxing province in the country. Every year I’ve been in the Legislature for the last eight years I’ve seen the same requests come forward, roughly the same amount of supplementary supply, and I ask the same questions. When are we going to see the long-term public interest put ahead of private interests and personal self-interest?

So it’s déjà vu all over again, Madam Chair. I don’t know whether I will be supporting this bill at this time. I don’t know how else to send a message to a government that’s lost its way financially, that’s lost its way in terms of the long-term public interest, but I am ever hopeful that the good people on the other side of the House will prevail in time and bring the financial picture back into balance, will budget responsibly, and will address the extra needs of Albertans ahead of their own and ahead of their private supporters.

Thank you, Madam Chair. With that, I’ll take my seat.

9:40

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

I recognize the Member for Medicine Hat.

**Mr. Pedersen:** Thank you, Madam Chair. I’m ecstatic to be here tonight to speak to the Assembly about Bill 11, the Appropriation (Supplementary Supply) Act, 2013. I was supposed to be off tonight, but I had to take this opportunity to come and share the evening with you, so this is awesome.

Earlier this evening the hon. Government House Leader and I passed each other in the hallway, and he said: how are you enjoying this? So I had to tell him. I said: “This is very exciting, being a new member. The budgetary process is obviously very detailed and there’s lots to learn, and it’s very enlightening.” At the same time, there are some processes and procedures that baffle me, to be honest, but I guess it is all part of the process that we go through as we learn.

In discussing this, I have to thank the members on the other side. The minister for municipalities was kind enough to explain a better part of what this is. It addresses some of the shortcomings from the prior budget, finding areas where spending wasn’t budgeted accordingly or there were shortages for some reason; surprises came up. I appreciate that, but I think it’s surprising that we’re being asked to authorize well over half a billion dollars. We’re coming into another budget here that is headed into the sixth consecutive deficit budget, which is concerning. You know, I would have thought that somebody would have seen this issue prior to this, well in advance, but obviously that’s a little optimistic of me.

Again, it’s all about government anticipating what their spending is going to be. It is probably a very tough job. It obviously takes a lot of time and energy of many different people to put this together, but they also come with 40 years of experience doing it. There are always going to be ups and downs. There are going to be misses, and there are going to be shortcomings, but some of the misses have been very dramatic. We’re talking about billions of dollars in overspending, billions of dollars in underestimating revenue. That’s an issue going back six years and even more so going forward even though we do have new promises and new commitments indicating otherwise.

This year’s revenues are projected to be just shy of \$38 billion if that holds to the fiscal year-end.

**Mr. Wilson:** What? I thought it dropped by six.

**Mr. Pedersen:** Well, it’s down, you know. They were predicting 40-some or something like that.

It’s still one of the best years on record, and still we’re being asked to authorize another half a billion dollars at year-end. That’s after we’ve taken money out of the sustainability fund to cover and offset some expenses that were unforeseen. Again, very concerning.

To break it down, Education is looking for an extra \$24 million. About \$12 million is used to offset student enrolment. That’s a good thing. With Alberta being one of the provinces that is having challenges in keeping students interested in staying in school and going on to postsecondary, it’s encouraging to see that the demand for Education dollars is there. So \$12 million extra is not a bad thing.

What I have to question here and in a few other areas – and, hopefully, we’ll get some eyebrows raised – is that we keep hearing about this infrastructure list. About \$12 million is allocated to a school in Lloydminster. Again, you know, that’s looking forward. That’s building infrastructure. That’s adding the bricks and mortar to allow the children of that community to go to school and get an education. But where was that on the infrastructure list? If it was on there, why are we looking for another \$12 million? There’s the other question that the government has gone to centralized planning and budgeting so

that they get the best bang for their buck in allocating orders to build schools. Where is this \$12 million? What's it for? If we have such a great process in place, a school should be built, a contract should be negotiated, and that should be it. Maybe I'm missing some major details there. I'm not sure. Again, if that was on the infrastructure priority list, we would know that. This wouldn't come up at the end of the year. It would be on the list. The cost would be there, and we wouldn't be having this discussion now.

It looks like Enterprise and Advanced Education is asking for \$107 million. Again, we have \$17 million being applied to completion grants and student assistance. This is a great, great indication that more and more students are coming out of high school and taking postsecondary as their avenue for their next step. It's a challenge in Alberta because, of course, students can come right out of high school – some don't even finish grade 12 – and they can go find employment within Alberta quite easily and make some very, very good money without having to educate themselves at a postsecondary level. The \$17 million to be added to that is an indication that more and more students are looking to access postsecondary education. That's a good thing. That's a good thing for Alberta. Educating our youth is just going to be such a benefit going forward no matter what avenue of work they get into down the road.

From what we understand, \$13 million dollars is allocated for basic infrastructure upgrades at the University of Alberta. Again, we're talking about infrastructure, and I'm going to hammer on this throughout. Why at the end of the year are we asking for \$13 million if this should have been on the infrastructure list? You know, it should be there. I don't know, I guess we'll have to check the Internet to make sure: is it there or not there?

For student loans \$77 million dollars is also allocated. Again, that's an indication that postsecondary education is becoming more and more important for our youth.

Environment and SRD is looking for \$302 million. Probably my only comment there is: did we underbudget there? You know, should there have been a higher number to address pine beetle, to address forest fire suppression? It's likely that that's going to happen every year. It's always better to have a little bit extra there if you could and throw it back into the budget later on.

Municipal Affairs. Things look to be fairly much in order.

Transportation. They were showing that they found some savings in-house, which is great. That's how the system should work. Again, Transportation being part of Infrastructure, I'm just mystified as to how this comes up at year-end, asking for more money. You know, if it's on a list and it's already budgeted for and it's allocated and the contracts are let, why do these costs keep escalating? Why do people keep going back to government for more money?

You know, there are a lot of issues to be considered around how government negotiates contracts, what the terms and conditions

are, and how we agree to those. If there are a lot of cost-plus arrangements or change clauses in there, we're just allowing contractors to bypass the negotiated deal, and that's not good for the taxpayer. That's bypassing the reason why we've actually negotiated the contract.

To finish up, Madam Chair, you know, what I find interesting is that when a dollar leaves the government nowadays, by the time it reaches the front line or the area of service that we're looking to deliver to, smaller and smaller bits of that dollar actually get to the front line. I think that's a concern. Until we drive out waste and inefficiency and bureaucracy, just throwing more money at it isn't the answer. It's not going to give us better results. Hopefully, the government will look at that and find some of these efficiencies.

Thank you.

9:50

**The Deputy Chair:** Thank you for your question, hon. member.

**Hon. Members:** Question.

**The Deputy Chair:** The question has been called.

[The clauses of Bill 11 agreed to]

[Title and preamble agreed to]

**The Deputy Chair:** Shall the bill be reported? Are you agreed?

**Hon. Members:** Agreed.

**The Deputy Chair:** Opposed? That's carried.

**Mr. Hancock:** Madam Chair, I move that the committee rise and report Bill 11.

[Motion carried]

[Mrs. Jablonski in the chair]

**Dr. Brown:** Madam Speaker, the Committee of the Whole has had under consideration a certain bill. The committee reports the following bill: Bill 11.

**The Acting Speaker:** Thank you.

Does the Assembly concur in the report?

**Hon. Members:** Concur.

**The Acting Speaker:** Opposed? So ordered.

**Mr. Hancock:** Madam Speaker, I would just move that we adjourn till 1:30 p.m. tomorrow.

[Motion carried; the Assembly adjourned at 9:53 p.m. to Wednesday at 1:30 p.m.]







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