



Province of Alberta

The 28th Legislature  
Second Session

# Alberta Hansard

Tuesday afternoon, March 11, 2014

Issue 6a

The Honourable Gene Zwozdesky, Speaker

# Legislative Assembly of Alberta The 28th Legislature

Second Session

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

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Barnes, Drew, Cypress-Medicine Hat (W)  
Bhardwaj, Hon. Naresh, Edmonton-Ellerslie (PC)  
Bhullar, Hon. Manmeet Singh, Calgary-Greenway (PC)  
Bikman, Gary, Cardston-Taber-Warner (W)  
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Blakeman, Laurie, Edmonton-Centre (AL),  
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Calahasen, Pearl, Lesser Slave Lake (PC)  
Campbell, Hon. Robin, West Yellowhead (PC),  
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Cao, Wayne C.N., Calgary-Fort (PC)  
Casey, Ron, Banff-Cochrane (PC)  
Cusanelli, Christine, Calgary-Currie (PC)  
Dallas, Hon. Cal, Red Deer-South (PC)  
DeLong, Alana, Calgary-Bow (PC)  
Denis, Hon. Jonathan, QC, Calgary-Acadia (PC),  
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Donovan, Ian, Little Bow (W)  
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Drysdale, Hon. Wayne, Grande Prairie-Wapiti (PC)  
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Fox, Rodney M., Lacombe-Ponoka (W)  
Fraser, Hon. Rick, Calgary-South East (PC)  
Fritz, Yvonne, Calgary-Cross (PC)  
Goudreau, Hector G., Dunvegan-Central Peace-Notley (PC)  
Griffiths, Hon. Doug, Battle River-Wainwright (PC)  
Hale, Jason W., Strathmore-Brooks (W)  
Hancock, Hon. Dave, QC, Edmonton-Whitemud (PC)  
Hehr, Kent, Calgary-Buffalo (AL)  
Horne, Hon. Fred, Edmonton-Rutherford (PC)  
Horner, Hon. Doug, Spruce Grove-St. Albert (PC)  
Hughes, Hon. Ken, Calgary-West (PC)  
Jansen, Hon. Sandra, Calgary-North West (PC)  
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McIver, Hon. Ric, Calgary-Hays (PC)  
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Notley, Rachel, Edmonton-Strathcona (ND),  
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Deputy Government House Leader  
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Olson, Hon. Verlyn, QC, Wetaskiwin-Camrose (PC),  
Deputy Government House Leader  
Pastoor, Bridget Brennan, Lethbridge-East (PC)  
Pedersen, Blake, Medicine Hat (W)  
Quadri, Sohail, Edmonton-Mill Woods (PC)  
Quest, Hon. Dave, Strathcona-Sherwood Park (PC)  
Redford, Hon. Alison M., QC, Calgary-Elbow (PC),  
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Rodney, Hon. Dave, Calgary-Lougheed (PC)  
Rowe, Bruce, Olds-Didsbury-Three Hills (W)  
Sandhu, Peter, Edmonton-Manning (PC)  
Sarich, Janice, Edmonton-Decore (PC)  
Saskiw, Shayne, Lac La Biche-St. Paul-Two Hills (W),  
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Starke, Hon. Dr. Richard, Vermilion-Lloydminster (PC)  
Stier, Pat, Livingstone-Macleod (W)  
Strankman, Rick, Drumheller-Stettler (W)  
Swann, Dr. David, Calgary-Mountain View (AL)  
Towle, Kerry, Innisfail-Sylvan Lake (W),  
Official Opposition Deputy Whip  
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Wilson, Jeff, Calgary-Shaw (W),  
Official Opposition Deputy House Leader  
Woo-Paw, Hon. Teresa, Calgary-Northern Hills (PC)  
Xiao, David H., Edmonton-McClung (PC)  
Young, Steve, Edmonton-Riverview (PC)

## Party standings:

Progressive Conservative: 60

Wildrose: 17

Alberta Liberal: 5

New Democrat: 4

Independent: 1

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Naresh Bhardwaj	Associate Minister – Services for Persons with Disabilities
Manmeet Singh Bhullar	Minister of Human Services
Robin Campbell	Minister of Environment and Sustainable Resource Development
Cal Dallas	Minister of International and Intergovernmental Relations
Jonathan Denis	Minister of Justice and Solicitor General
Wayne Drysdale	Minister of Transportation
Kyle Fawcett	Associate Minister – Recovery and Reconstruction for Southwest Alberta
Rick Fraser	Associate Minister – Public Safety
	Associate Minister – Recovery and Reconstruction for High River
Doug Griffiths	Minister of Service Alberta
Fred Horne	Minister of Health
Doug Horner	President of Treasury Board and Minister of Finance
Ken Hughes	Minister of Municipal Affairs
Sandra Jansen	Associate Minister – Family and Community Safety
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Thomas Lukaszuk	Minister of Jobs, Skills, Training and Labour
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Frank Oberle	Minister of Aboriginal Relations
Verlyn Olson	Minister of Agriculture and Rural Development
Dave Quest	Associate Minister – Seniors
Dave Rodney	Associate Minister – Wellness
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Richard Starke	Minister of Tourism, Parks and Recreation
Greg Weadick	Associate Minister – Recovery and Reconstruction for Southeast Alberta
Teresa Woo-Paw	Associate Minister – International and Intergovernmental Relations

## STANDING AND SPECIAL COMMITTEES OF THE LEGISLATIVE ASSEMBLY OF ALBERTA

### Standing Committee on Alberta's Economic Future

Chair: Mr. Amery

Deputy Chair: Mr. Fox

Dorward	Pastoor
Eggen	Quadri
Hehr	Rogers
Kubinec	Rowe
Lemke	Sarich
Luan	Stier
McDonald	

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

Chair: Mr. Casey

Deputy Chair: Mrs. Jablonski

Amery	Khan
Barnes	Sandhu
Dorward	Sherman
Eggen	

### Select Special Ethics Commissioner Search Committee

Chair: Mr. Rogers

Deputy Chair: Mr. Quadri

Blakeman	Leskiw
Eggen	McDonald
Goudreau	Saskiw
Lemke	

### Standing Committee on Families and Communities

Chair: Ms Olesen

Deputy Chair: Mrs. Forsyth

Cusanelli	McAllister
DeLong	Notley
Fenske	Pedersen
Fritz	Sandhu
Jablonski	Swann
Jeneroux	VanderBurg
Leskiw	

### Standing Committee on Legislative Offices

Chair: Mr. Jeneroux

Deputy Chair: Mr. McDonald

Bikman	Leskiw
Blakeman	Quadri
Brown	Wilson
DeLong	Young
Eggen	

### Special Standing Committee on Members' Services

Chair: Mr. Zwozdesky

Deputy Chair: Mr. VanderBurg

Casey	Mason
Forsyth	McDonald
Fritz	Sherman
Johnson, L.	Towle
Kubinec	

### Standing Committee on Private Bills

Chair: Mr. Xiao

Deputy Chair: Mrs. Leskiw

Allen	Notley
Brown	Olesen
Cusanelli	Rowe
DeLong	Stier
Fenske	Strankman
Fritz	Swann
Jablonski	

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

Chair: Ms Kubinec

Deputy Chair: Mr. Rogers

Calahasen	Pastoor
Casey	Pedersen
Kang	Saskiw
Khan	VanderBurg
Luan	Wilson
Notley	Young
Olesen	

### Standing Committee on Public Accounts

Chair: Mr. Anderson

Deputy Chair: Mr. Dorward

Allen	Khan
Amery	Luan
Barnes	Pastoor
Bilous	Sandhu
Donovan	Sarich
Fenske	Young
Hehr	

### Standing Committee on Resource Stewardship

Chair: Mr. Khan

Deputy Chair: Mr. Anglin

Allen	Goudreau
Bikman	Hale
Bilous	Johnson, L.
Blakeman	Webber
Brown	Xiao
Calahasen	Young
Casey	

## Legislative Assembly of Alberta

1:30 p.m.

Tuesday, March 11, 2014

[The Speaker in the chair]

### Prayers

**The Speaker:** Good afternoon. Let us pray.

Holy and Great Creator, help us be ever mindful that our purpose here is to represent others and also to remain true to ourselves and to the democratic values and traditions to which we committed ourselves to uphold. Amen.

Please be seated.

### Statement by the Speaker

#### 17th Anniversary of Elected Members

**The Speaker:** Hon. members, just before we do the visitors, let me just make a brief statement, if I could, because it's a special anniversary celebration for three members who are celebrating their 17th election anniversary, in particular the hon. Member for Edmonton-Centre, the hon. Member for Calgary-Fort, and the hon. Member for Edmonton-Whitemud. Let us applaud their anniversary.

Thank you.

### Introduction of Visitors

**The Speaker:** The Minister of Education.

**Mr. J. Johnson:** Thank you, Mr. Speaker. It gives me great pleasure to rise and introduce to you and through you someone who is no stranger to this Assembly or these halls, a good friend of mine, a mentor who everyone knows, Mike Cardinal. Mike was a member here for over two decades and represented me as my MLA, and now it's an honour for me to be his MLA. He was a great adviser and mentor as I stepped into this. He served Alberta well in five different cabinet portfolios and accomplished a great deal for Alberta.

Thanks for being here, Mike.

### Introduction of Guests

**The Speaker:** Let us begin with school groups, starting with the Associate Minister – Services for Persons with Disabilities.

**Mr. Bhardwaj:** Thank you very much, Mr. Speaker. It's an honour for me to rise today and introduce to you and through you 73 young individuals from my constituency of Edmonton-Ellerslie. From Ellerslie Campus school, Mr. Speaker, they are joined by their teachers and parent helper: Mr. Kristopher Skinner, Mr. Richard Sampson, Miss Amy Heidebrecht, and Mrs. Myrna D'Mello. They're sitting in both the public and members' galleries. At this time may I ask my guests to please rise and receive the traditional warm welcome of the Assembly.

**The Speaker:** Are there other school groups?

If not, let us move on with other introductions, beginning with the Associate Minister of Wellness.

**Mr. Rodney:** Thank you very much, Mr. Speaker. On behalf of our hon. Health minister it's my pleasure to introduce Dr. Michael Cassidy, president of the section of anesthesia of the Alberta

Medical Association, and Dr. Doug DuVal, treasurer of the Canadian Anesthesiologists' Society and past president of the section of anesthesia of the Alberta Medical Association. It is indeed a pleasure to have Dr. Cassidy and Dr. DuVal here today to represent the great work that is being done in our province and in our country regarding anesthesiology. They're here to meet with our Health minister's department on a number of items, including how to best create and maintain efficiencies in surgery, improving the patient experience, and reducing wait times. I want to thank them for being here and for all of their hard work on this file, and at this point I would ask that they rise and receive the warm welcome of this Assembly.

**The Speaker:** The hon. Minister of Municipal Affairs, followed by Edmonton-Beverly-Clareview.

**Mr. Hughes:** Thank you, Mr. Speaker. It gives me great pleasure to rise today to introduce to you and through you 17 interns who began their careers working for local governments thanks to the municipal internship program. This program has provided these interns with an opportunity to gain real life experience within municipal government, supporting our province's towns, villages, counties, municipal districts, and cities. They join almost 200 interns who have been part of this program since 2002. The Municipal Affairs initiative contributes to the administrative strength and management of our municipalities right across the province with employees who bring professional skills, training, and a passion for public service at the local level, and what could be better than that? They're in the members' gallery. I'd ask all of them to rise and receive the acknowledgement of this Assembly.

**The Speaker:** The hon. Member for Edmonton-Beverly-Clareview, followed by the Minister of Aboriginal Relations.

**Mr. Bilous:** Thank you very much, Mr. Speaker. I'm honoured to rise today and introduce to you and through you to all members of the Assembly a group of very special guests from Emmanuel Home, a nonprofit seniors' residence in the Belvedere neighbourhood in my constituency of Edmonton-Beverly-Clareview. Last year I received many letters from the residents of Emmanuel Home asking for the government to stop plans to replace their home-care contract with services from a private, for-profit provider. I was happy to celebrate a victory with them when their home-care contract was extended. I ask them now to stand, if possible, as I read their names and remain standing as we give them the traditional warm welcome of the Assembly: executive director Darren Sinke, Karin Kossman, Ann Hexspoor, Annie Fechner, Roeli Moes, Bill Breeuwsma, John Bruinsma, Jane Maat, Martin and Christine Veenstra, Maria Pool, Anky van Dieken, Hazel Rilling, Gladys Pavletic, Anne Mitchell, Clarence Toornstra, Aria Klyn-Hesselink. Please join me in welcoming them to the Assembly.

**The Speaker:** The hon. Minister of Aboriginal Relations, followed by Chestermere-Rocky View.

**Mr. Oberle:** Well, thank you very much, Mr. Speaker. It's an honour for me to rise today on behalf of the Minister of Environment and Sustainable Resource Development to introduce some of his staff that are here in the gallery today. There are over 2,000 public servants who work in communities throughout the province on behalf of that ministry. Today staff from High Prairie, Athabasca, and Slave Lake offices are visiting the Alberta Legislature. We have Mark Heckbert, Jim Castle, Kevin Downing,

Myles Brown, Kristy Wakeling, Mike Banko, Denyse Gullion, Marcel Macullo, Michelle Keohane, and Jennifer MacCormick with us. I'd ask that they rise and receive the traditional warm welcome of the Assembly.

**Mr. McAllister:** Mr. Speaker, it is with honour that I rise today and introduce to you and through you to all members of this Assembly a very special guest. First and foremost, I would like to introduce you to Dr. Nhung Tran-Davies. Dr. Tran-Davies is a doctor from Calmar, Alberta. She is a parent, and Dr. Tran-Davies is showing immense strength, courage, and conviction in standing up for Alberta students. You see, Dr. Tran-Davies is leading the charge in making the population in Alberta aware of the curriculum changes that are taking place in our schools. There are now nearly 10,000 signatures on her petition calling on the government to rethink its rewrite of the Alberta curriculum and go back to the basics that have served Alberta students so well. I'd like to ask Dr. Nhung Tran-Davies to stand, Mr. Speaker, and along with her today are Jerry and Jeanne Manegre, Marion and Bill Leithead, Maurya Braun, and Debra Hoover, just a few of the many who are supporting the grassroots initiative. I'm so proud of them and the courage that they're showing. I'd ask my colleagues to give the warm welcome of the Assembly.

**The Speaker:** Are there others?  
Seeing none, let us move on.

### Members' Statements

#### 1:40 Cancer Charities Fund Raising

**Mr. Dorward:** Mr. Speaker, tomorrow I'm going to chop off my hair. There are several groups who collect hair like mine, and they make wigs for children and youth who have lost their hair due to cancer treatment. As well, I'll buzz my hair down to nothing, and a lot would say that it's about time. And from that I can make a rhyme.

My mom used to do that,  
so tit-for-tat.

A poet she was. People gave her lots of time  
and would gather to hear her rhyme.  
Cancer struck her later in her years,  
bringing us many tears.

Dad, he loved the outdoors.  
Cancer as well took him away,  
and I would like to say  
that for me,  
Alberta is the perfect place for us to find the key  
that will chase away this dreaded disease.

The not-for-profit sector plays a huge role,  
and so it is. That is why I did enrol  
with Kids Cancer Care, a group that does,  
Mr. Speaker, I mean care.  
Funds I'm raising, soon to be five digits  
with everyone's help today.

And for my friend Shanna,  
keep up the battle.  
And for you and the three baby Lows,  
please receive the love and prayers of this Assembly.  
Jocelyn and family,  
you are not forgotten.

Cancer affects us all;  
one in four Albertans will die from cancer.  
So please, tomorrow feel all welcome to come out.  
L'école Gabrielle-Roy is the spot,

11:30 is the appointed time,  
and that will about end my rhyme.

Alberta truly is the place to beat cancer, Mr. Speaker. I'm glad to do just a little smidge to help that along and to help Kids Cancer Care work with children and youth affected.

Thank you.

**The Speaker:** Thank you.

**Mr. McAllister:** I'm sure I speak on behalf of us all, Mr. Speaker, when I say to the Member for Edmonton-Gold Bar, "Well done."

### Educational Curriculum Redesign

**Mr. McAllister:** Mr. Speaker, there is an intense debate under way in Alberta over the curriculum in our schools and the teaching methods being used to educate our children. Traditional learning methods are being thrown out the window in favour of new inquiry-based or discovery learning.

Now, inquiry-based learning calls for less focus on facts and content and more emphasis on competencies and critical thinking skills. This is what it means in mathematics. Instead of having kids master and memorize their times tables, discovery math encourages students to invent their own strategies and techniques. What is that leading to? Well, kids are bewildered and frustrated. Instead of being taught the fundamentals and building on those, they are drowning in an ocean of confusion that the minister and his department have tossed them into. Marks are dropping in record numbers, and parents are forced to look for additional help outside the system they once put their trust in. When it comes to the effect these changes are having, the proof really is in the pudding. The facts do not lie. The most recent PISA results show that Alberta's education rankings in math are slipping substantially.

One individual in particular has risen and stood up for the integrity of our education system. Dr. Nhung Tran-Davies, a doctor and parent from Calmar, Alberta, started a petition pleading with the minister to return to the classroom basics. This is a classic David-and-Goliath story, where one concerned, everyday Albertan is going to battle with a stubborn multibillion-dollar bureaucracy that won't listen. I hear daily from teachers, parents, mathematicians, experts, students, and average Albertans that they, too, stand with Dr. Tran-Davies. In fact, 10,000 have now signed the petition.

The minister views all of this as a thorn in his side. He should view it as a wake-up call, Mr. Speaker. We are imploring the minister to make the appropriate changes before the next school year so another group of kids won't also suffer the same failed fate being pushed into the classrooms. It is his duty to listen to Albertans and the students and parents in the education system.

**The Speaker:** Thank you. Calgary-Bow, followed by Banff-Cochrane.

### Seniors' Supports

**Ms DeLong:** Thank you, Mr. Speaker. This government is fully committed to building Alberta, committed to building upon the achievements of previous generations of Albertans. Our seniors helped build the strong and thriving province that we have today, and we owe them our thanks, our respect, and our support. We're meeting that obligation with programs that provide the right care in the right place at the right time.

With approximately 60 Albertans turning 65 every day, Budget 2014 is providing increases for several programs and services that help seniors stay at home and maintain their dignity and quality of

life. For example, the Alberta seniors' benefit provides 150,000 low-income seniors with financial assistance. Budget increases will help seniors who need this support.

To help seniors stay in their own homes, Budget 2014 is allocating additional funding to the seniors' property tax deferral program to help seniors defer all or part of their annual property taxes with a very low-interest loan.

The special needs assistance program helps seniors with items such as appliances, essential home repairs, and some medical expenses. Increased funding will help ensure that this unique program continues to be available to our most vulnerable seniors facing unexpected costs.

Almost 110,000 Albertans, most of them seniors, depend on home care, and funding for home care and rehabilitation services is increasing by 44 per cent. Now, that includes funding for home care for a thousand people after they go home from the hospital.

Now, the first priority of this government is investing in families and communities. Budget 2014 makes that investment by renewing our commitment to helping seniors remain in their homes and stay connected with their communities, families, and friends.

Thank you very much, Mr. Speaker.

**The Speaker:** Thank you.

The hon. Member for Banff-Cochrane, followed by Dunvegan-Central Peace-Notley.

#### Canadian Agricultural Safety Week

**Mr. Casey:** Thank you, Mr. Speaker. March 10 to 16 is Canadian Agricultural Safety Week. As we all know, agriculture is part of the foundation of this province and our largest renewable resource industry. Each and every year we celebrate Agricultural Safety Week as a way to raise awareness, but the truth is that farm safety needs to be a year-round priority.

Some of the keys to making sure that our farms are safe are education, awareness, and planning. This year the Canadian Agricultural Safety Association's theme for farm safety week is to get with the plan. We are encouraging all producers, farm workers, communities, and organizations to develop written health and safety plans to identify hazards and control them. Our government is committed to working on initiatives that promote a culture of safety on our farms. Our farm safety co-ordinators work hard across the province on assessment, improvement, and the further development of farm safety systems. We also work with organizations such as 4-H and agricultural societies to enhance awareness of farm safety.

In fact, to kick off Canadian Agricultural Safety Week, Agriculture and Rural Development has teamed up with Health Services to provide a fun, interactive health and safety learning environment for kids of all ages at the Peace Country Classic Agri-Show in Grande Prairie. Also, people can always go to Agriculture and Rural Development's website to access everything from printable children's activity sheets to webinars and the latest documents and links on farm safety.

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

Thank you.

**The Speaker:** Dunvegan-Central Peace-Notley, we can get one more in quickly.

#### Northern Alberta Windstorm

**Mr. Goudreau:** Thank you, Mr. Speaker. Between January 15 and 18 of this year Alberta residents experienced again one of the most severe, widespread, and damaging windstorms with record-setting winds as high as 120 kilometres per hour, winds that tore through and toppled power lines and structures in northwestern and east-central Alberta, causing nearly 14,000 customers to lose power. Extreme weather, it seems, is a fact of life in Alberta, but this was a serious situation for both ATCO Electric crews and their customers.

At peak periods ATCO Electric had between 65 and 75 crews working simultaneously across the province. The windstorm was so severe that it damaged the electrical system infrastructure so that crews had to install temporary structures while permanent repairs were completed. Within a 24-hour period ATCO Electric crews, remarkably, had restored power to 12,000 customers.

Mr. Speaker, today I wish to acknowledge and to express sincere gratitude and appreciation to the ATCO Electric crews that braved extreme weather conditions and worked around the clock to repair structural damage and restore power as quickly and safely as possible during one of the worst storms in northern Alberta's history.

Thank you, Mr. Speaker.

1:50

#### Oral Question Period

**The Speaker:** The Leader of Her Majesty's Loyal Opposition. First main set of questions.

#### Government Airplane Usage

**Ms Smith:** Mr. Speaker, for the last little while we've been examining the abuse of the government air fleet. But let us be very, very clear. The Premier isn't the only person abusing government planes. Today's *Herald* story details how often planes fly around half empty while other government planes take off half empty, headed to the same place at the same time. It seems like no members of this cabinet actually want to travel with each other. My question is to the Finance minister, whose department runs the fleet. What is going on over there?

**Mr. Horner:** Well, Mr. Speaker, government officials, including the Lieutenant Governor, including the Premier, including members of cabinet, including others, all carry out some important work throughout the province each and every day. There are some 90 communities in this province that are not actually serviced through commercial aircraft. There are times – and this is one of the issues of having scheduling conflicts – when one plane might be leaving within half an hour or an hour or at the same time as another plane is going to the same destination, and then that plane might go on to somewhere else like Medicine Hat, and another plane might go on to Grande Prairie. There are positioning issues that need to be dealt with. There are deadheads that need to be dealt with as well.

**Ms Smith:** Well, that wasn't very convincing, was it, Mr. Speaker?

The story mentions abuse of the air fleet by the Finance minister, the former Seniors minister, the Transportation minister, the former tourism minister, and the associate minister for High River among others. Even with all of these ministers and all of their staff and all of the government officials at Finance, apparently no one was paying attention to the fact that the government had multiple planes leaving from the same place and

headed to the same place, and none of them were full. Doesn't anybody in that cabinet care about the taxpayer?

**Mr. Horner:** Actually, Mr. Speaker, we care a great deal about what the taxpayer is charged for travel around the province. We also care about getting to other areas of the province that cabinet ministers are expected to get to. Yes, it's true, hon. Leader of the Official Opposition. Cabinet ministers use our planes. That's what they're for, for us to get around to meet with Albertans and greet Albertans.

The Premier has already directed the Auditor General to review the capacity, the usage, the policies and procedures that we have in place. We have a policy in place today for requesting the planes. It was developed in 2010 from the Auditor General's report. We look forward to his next report.

**Ms Smith:** Mr. Speaker, the news story mentions at least 10 instances when no one in that cabinet or the government backbench was looking out for taxpayers. We have the highest paid Premier in the country, the highest paid cabinet in the country. The sunshine list shows that they employ the largest and most expensive political staff in the country, yet no one thought to do something as simple as co-ordinate flights so that the taxpayer didn't get shafted. Why should taxpayers have any confidence or trust in anyone in this government?

**Mr. Horner:** Well, Mr. Speaker, I'm sure the hon. member would like Albertans to think that we all have the same calendar and we all have the same schedule. Unfortunately, we all have different stakeholders who all request us at different times. The Premier has many stakeholders in the province, and they expect her to be there on time. Sometimes those schedules conflict. Ten flights out of the thousands of flights that we do every day: yes, we would like to see it come down. We are working diligently on that.

**The Speaker:** The hon. Leader of Her Majesty's Loyal Opposition. Second main set of questions.

**Ms Smith:** No other province has government planes, and now we can see why, Mr. Speaker.

Let me give you another example of the government air fleet getting abused by more than just the Premier. On Thursday, October 25, 2012, a government plane flew into Grande Prairie at 4:30 p.m. and left at 10 p.m. The manifest said that it went to Grande Prairie for meetings with government officials. However, at 5:30 p.m. that evening the PCs were hosting their Grande Prairie PC leader's dinner fundraiser. Two ministers joined the Premier on the flight to attend the PC fundraiser. Will the Finance minister be seeking reimbursement from the PC Party?

**Mr. Horne:** Well, Mr. Speaker, I was one of the cabinet ministers that was present with the Premier in Grande Prairie at that time. We made an announcement, as the hon. members should know, with respect to the expansion of the Grande Prairie hospital. The announcement specifically talked about the progress on the construction of the hospital, an update on the total cost for that facility. This is one example of the important government business that we do using the aircraft that are funded by the taxpayers of this province.

**Ms Smith:** Mr. Speaker, the former Infrastructure minister and the current Health minister were both on that flight to attend meetings with government officials. Now, I'm sure the fact that it landed just in time for the PC fundraiser was just a fortunate coincidence. Can either of the ministers provide Albertans with a detailed

report on which government officials they met with and what important briefings they received in the 45 minutes before the PC fundraiser started?

**Mr. Horner:** Well, Mr. Speaker, they talk about transparency. The very fact that we're talking about this in this House means that it is very transparent because all of these manifests are listed online. Any Albertan can go and have a look at where the cabinet is flying and who is with them on the flights. Again, there are times when these planes fly empty because they are returning to base. We have only one base; that's the Edmonton base. Deadheads are something that I watch very, very carefully, but as any airline will tell you or any charter airline or anybody who owns planes will tell you, you have to manage those deadheads because people don't always come back when you want them to.

**Ms Smith:** Incidentally, Mr. Speaker, the flight leaving Grande Prairie for Calgary that night had the then-ministers of Tourism, Intergovernmental Relations, Energy, and Health joining the Premier. The associate minister of electricity was on it, too. Again, I'm sure it was just a pleasant coincidence that the government plane was in town to fly all these ministers back from a PC Party fundraiser. To the Finance minister: what is the government policy on having the taxpayer subsidize the fundraising activities of the governing party?

**The Speaker:** Government policy, if you will.

**Mr. Horner:** Well, Mr. Speaker, it's hard to find government policy within a question that is baited like that, and I'm not going to take the bait. Albertans don't want us to be debating that kind of thing in this House. They want us to be talking about building Alberta. They want us to be moving forward. If the hon. member cared to, she could request the policy that we have for requisitioning the planes, the scheduling, the procedure, and all of that. They're very well aware of it. They just choose to not bring it up in here because they're choosing to leave some other impression in Albertans' minds. Despicable.

**Mr. McAllister:** This government needs no help leaving an impression.

### Mathematics Curriculum

**Mr. McAllister:** Mr. Speaker, several days ago the Minister of Education promised to ensure that Alberta students learn the basics of math. Unfortunately, his radical new math curriculum tosses out tried, tested, and true learning methods in favour of new-age, bureaucratic fads. One of the most common concerns that I have heard from parents is that nowhere in this new math curriculum are kids explicitly required to memorize and master their times tables. To the minister: at what grade level will you require students to master their times tables up to 10 by 10, or do you consider this a basic skill?

**Mr. J. Johnson:** Mr. Speaker, we answered this question last week, and I can repeat it. He asked me: "Will the Minister of Education do the right thing and ensure, not provide an option but ensure, that the fundamentals of mathematics like times tables are taught in our schools?" The answer that I gave was: "I will." [interjections] I believe currently, right now, it's in grade 5 they must know those. I think there are recommendations by others for grade 3. Nonetheless, we are doing some work on the curriculum, as the member knows. [interjections] The information that we've got from the petitions and others and world best practices are all



going to go into that to make our curriculum stronger, and we'll be delivering on the things we've promised.

**The Speaker:** It would help if there was no heckling during the answers. Perhaps everyone could then share in the hearing of the answers given.

Hon. member, first supplementary.

**Mr. McAllister:** Thanks, Mr. Speaker. Given that nearly 10,000 parents, teachers, experts, and everyday people have signed a petition saying that this new system just is not working for their kids, who are stressed out and frustrated by the confusing curriculum, Mr. Minister, we can't wait until 2016 to make changes. The future of our kids is at stake. Can you tell this Legislature what specific steps you will take to ensure that the basic fundamentals of math, including the mastery and memorization of times tables, are taught in our schools?

**Mr. J. Johnson:** Mr. Speaker, he's referring to a petition as well, and the first thing I want to do is thank Dr. Tran-Davies and the parents and the engaged Albertans who have signed that petition and have taken the time to get engaged in the education system. It's critical. What we've communicated to Dr. Tran-Davies is that her input is not only valuable but very timely. As the member knows, we do have an entire group of Albertans across the province – school boards, parents, business community – that are working on prototypes for a new curriculum to solve that particular concern of parents and even go beyond and do others that the business community and others are asking us to do in the curriculum as well.

2:00

**Mr. McAllister:** Minister, if we're working out a solution in here, I'm thrilled. Dr. Nhung Tran-Davies started a petition that nearly 10,000 people have signed so far pleading with the government to reconsider its new math approach. Given that the very courageous Dr. Tran-Davies is here today, will the minister, not his deputy minister, not his chief of staff, commit to sitting down and meeting with Dr. Nhung Tran-Davies and her team of experts today as they have been asking him to for months?

**Mr. J. Johnson:** Mr. Speaker, every chance I get to meet with parents, I take it. We have met with Dr. Tran-Davies three times. This member continues to play politics with our students, so what I would ask him: if this is such a critical issue for him and for the Wildrose, as the critic for education working on this file for two years, not once in that two years has he contacted me and asked for a meeting. Not once has he sent an e-mail or a phone call or sent a letter asking me to change the curriculum. But he'll politicize this and grandstand in here and at press conferences. Let's have a real discussion about it.

**Mr. Anderson:** Point of order, Mr. Speaker.

**The Speaker:** Airdrie, your point of order is noted at 2:03 p.m.

### Speaker's Ruling Referring to the Galleries

**The Speaker:** Hon. members on all sides of the House, it is not our purpose to try and engage guests or visitors in our discussions and debate. De facto, they are not part of our discussion and debate on the Assembly floor. Granted, our discussions and debates and questions and answers concern them greatly, but, strictly speaking, the debate is here amongst elected members, so let's please try and keep to that if you don't mind. It's okay to

reference them, but to point them out and try and get them engaged is not within our realm.

Let us move on to the leader of the Liberal opposition, from Edmonton-Meadowlark.

### Cabinet Air Travel Expenses

**Dr. Sherman:** Thank you, Mr. Speaker. Still more examples of the Premier's sense of entitlement and waste of taxpayers' dollars: today we learned that the Premier and an aide or two or three frequently fly on one plane while other members of the PC caucus take a different flight to the same destination within an hour of Redforce One's departure. In all of these cases the PC MLAs, the Premier, and members of the imperial court could have fit on one plane. To the Premier: why don't you just 'plane pool'? Mr. Speaker, I don't know if 'plane pool' is a word, but why don't you save the taxpayer some money and 'plane pool'?

**Mr. Horner:** You know, Mr. Speaker, what they're referring to is a news article that appeared, I guess, this morning from, I believe, the *Calgary Herald* that talked about 10 instances over the past two years – 10 instances over the past two years – where a government aircraft departed from and/or arrived at the same location at a nearby airport within the hour. We do our best to ensure that the calendars and the flights leaving are co-ordinated as best as possible. We do have a lot of flights every year because our ministers are getting around this province and they are doing the work that Albertans elected them to do.

**Dr. Sherman:** Mr. Speaker, it's no wonder this government can't balance the budget. They're minimizing something that is a major mismanagement problem.

Mr. Speaker, the Premier's chief of staff earns more than President Obama's chief of staff. Her director of communications earns more than the president's director of communications. A lot of people in the imperial court make a lot of money. But despite this high-priced talent, there's apparently nobody who can figure out how to get the Premier from point A to point B at a responsible cost. To the Premier: instead of spending 300 grand on new letter-writers to respond to your Travelgate complaints, why don't you just hire a travel agent at a fraction of the cost?

**Ms Redford:** Well, Mr. Speaker, as we've said in this House, as the front bench we're very concerned about making sure that taxpayers get value for dollars, and that's critical. That's one of the reasons we've asked the Auditor General to take the steps that we have. It's one of the reasons I've asked the Minister of Finance to take steps with respect to tendering for RFPs. But the hon. member's reference to the correspondence unit is inappropriate only because these are professional public servants that are communicating with Albertans when they write to the Government of Alberta and the Premier asking about government policy. This is an important part of the democratic process, and I wish the hon. member wouldn't minimize it.

**Dr. Sherman:** Premier, there you go again.

Mr. Speaker, the latest chapter in the Travelgate scandal must not distract us from the heart of the matter, which is this. The Premier still has not paid back the \$45,000 she acknowledged that she wasted on the South Africa trip. Maybe she hopes Albertans have forgotten. Premier, I can assure you that they have not. To the Premier. You're rich. You get paid well. You receive a generous party allowance. When will you pay back the \$45,000 you wasted?

**Ms Redford:** Mr. Speaker, as I've said in this House, we're very concerned about ensuring that there are systems in place to ensure that this unfortunate incident doesn't happen again. It's why I've asked the Auditor General and taken the steps that I have to ground the planes, to review the process for making decisions about out-of-province travel, to ask the Finance minister to deal with these issues. But I really wish the hon. member wouldn't make false assertions in this House with respect to what I may or may not receive.

**The Speaker:** The hon. Member for Edmonton-Highlands-Norwood, leader of the ND opposition.

**Mr. Mason:** Thanks very much, Mr. Speaker. Well, we know the planes are grounded because the cabinet is all here.

### Electricity Pricing

**Mr. Mason:** I'm going to ask about something else, and it's the high price of electricity. There's an ongoing public fight between TransAlta and the province's electricity watchdog over allegations that the company intentionally manipulated the market to increase their profit margin, and there's a class-action lawsuit against Direct Energy, which shows that this deregulated electricity market is not working for Albertans. My question is to the Energy minister: why is your government failing to protect Albertans from market manipulation and high power prices?

**The Speaker:** The hon. Associate Minister – Electricity and Renewable Energy to respond.

**Ms Kennedy-Glans:** Thank you, Mr. Speaker. There have been many questions in this House in the last week of this nature. I can't emphasize enough that this government cares about electricity consumers. The Direct Energy case that's noted has been heard by the Alberta Utilities Commission as well, and they've made orders that directly respond to the consumers' needs, including issues around bills. I think they've done a fine job.

**The Speaker:** Just before we go on to the supplemental, I wonder if I could get the Minister of Justice to quickly comment. Is this matter sub judice or not?

**Mr. Denis:** I believe this matter is before the courts, Mr. Speaker.

**The Speaker:** You believe it is?

**Mr. Denis:** Yes.

**The Speaker:** Okay. Then please govern yourself accordingly, hon. leader of the ND opposition, with your supplemental, if you would, please.

**Mr. Mason:** I understand.

**The Speaker:** Thank you.

**Mr. Mason:** I was referencing the case but not asking about it specifically.

Documents clearly show that the PC's mess of an electricity system allows companies to manipulate the market in order to increase their profit margins and that aggressive marketing tactics and outrageous late fees have seen Direct Energy be the subject of literally hundreds of complaints to the Better Business Bureau. The system is not working for Alberta families. Can the Energy minister tell us why this government operates an electrical system that works for power companies' profits but against consumers?

**The Speaker:** Hon. associate minister, if you wish to respond.

**Ms Kennedy-Glans:** Thank you, Mr. Speaker. Answering these types of questions that we've had over the last week gets to the borderline of political interference into ongoing decisions that are being heard before the courts or before the Alberta Utilities Commission. If we are talking about the protection of consumers, I think every one of us has to pay attention to the kinds of questions and answers we provide in this House. We cannot politicize regulatory process.

**The Speaker:** Well, hon. member, please be very careful with your question here as the Justice minister has indicated that the matter is sub judice. It means it's before the courts. Now, that's his comment. So let's hear your final supplementary.

**Mr. Mason:** With all due respect, Mr. Speaker, this just doesn't bear on any court cases. This bears on government negligence in imposing a deregulated electricity system on the people of this province and driving up prices so that power companies can make more money, and the dodge that was given by that associate minister just doesn't cut it.

I want to ask the real Energy minister this question. Are power prices in this province too high or not? Yes or no?

**Ms Kennedy-Glans:** The unreal Energy minister will answer your question. The real questions that we think are fundamental to Albertans are: are companies in this province allowed to engage in anticompetitive behaviour? The answer is no. Are Albertans being protected? Absolutely. We're the only jurisdiction in Canada without a public utilities debt, the only to assign risk to investors rather than taxpayers, and we have the fastest growing electricity grid in North America.

**The Speaker:** Thank you.

Let's move on to question 6. No more preambles to supplementaries, please, starting with Drumheller-Stettler.

### 2:10 Travel Alberta Executive Expenses

**Mr. Strankman:** Thank you, Mr. Speaker. Yesterday the tourism minister mocked my concerns over lavish government expenses. Now, no one in the opposition is suggesting that the CEO of Travel Alberta wear coveralls, but we question why someone who is paid \$390,000 a year needs us to rent him a suit. To the minister. Help me out here. We pay bureaucrats exorbitant wages, and you're telling us that taxpayers should dress them as well. Why?

**Dr. Starke:** Mr. Speaker, I'll answer that question as best I can. Travel Alberta plays an absolutely vital role in supporting our \$7.8 billion tourism industry. They are an agency that has been used as a model for provincial marketing agencies across Canada, and I'm very proud of the fact that they've won national and international awards. That said, I am very concerned about any suggestion of any possible inappropriate expenditures and yesterday instructed Travel Alberta to conduct a full and complete review of all expenditures to ensure that they comply with our expense disclosure policies.

**Mr. Strankman:** Well, thank you, Mr. Minister. Given that Travel Alberta lavishes themselves with thousand-dollar dinners at Canmore restaurants, including paying \$99 for a rib steak, and given that Alberta beef producers know that a \$99 steak is incredibly extravagant and wasteful when expensing to taxpayers,

will the minister establish reasonable policies for expensing these dinners so that average, hard-working Albertans will not be gouged by these officials?

**Dr. Starke:** Well, Mr. Speaker, in fact, policies are in place with regard to expense disclosure, and in fact all of those expenses are public because of the expense disclosure policy that was introduced by this government in September of 2012, the most open expense disclosure policy in the country. [interjection] It is the gold standard as a matter of fact.

Mr. Speaker, we are conducting a complete and full review. I expect that if it does uncover any inappropriate expenditures, those will be reconciled and there will be no further ones going forward.

**Mr. Strankman:** Mr. Speaker, they are entitled to their entitlements.

Given that we have first-class tickets to Singapore, \$2,000 dinners, \$99 rib steaks, \$390 in alcoholic drinks, and \$150 tux rentals expensed by this \$390,000 employee, will the minister commit to ending these outrageous entitlement policies?

**Dr. Starke:** Mr. Speaker, as I've already committed, Travel Alberta is conducting a full and complete review of all expenditures to make sure that they are in line with expense disclosure policies. I will also commit to supporting the vital work that Travel Alberta does as an award-winning provincial travel-marketing agency, not the agency that these folks want to cut 80 per cent of their budget by, which would decimate the travel industry and the 139,000 jobs we have in this province in tourism.

**The Speaker:** Thank you.

Let's move on, then. Edmonton-South West followed by Calgary-Shaw.

### Public Transit Funding

**Mr. Jeneroux:** Thank you, Mr. Speaker. Residents of the capital region are making unprecedented use of the city's LRT system. As of this past fall over 100,000 people are getting on our trains each day. When the new NAIT station opens in June, it's expected that over 10,000 new daily riders will be added to that total. Furthermore, an average of 97 per cent of park-and-ride spaces for the LRT are occupied by 10 a.m. My constituency is not yet serviced by an LRT, and when space is at a premium, we must park elsewhere. We are in serious danger of overloading the system. Edmontonians were asking last week and are asking today. But why did this take so long, Minister? Why did we not do this before with a specific line . . .

**The Speaker:** I assume that's to the minister of Transportation and Municipal Affairs.

**Mr. Horner:** Mr. Speaker, I heard the hon. member mention a line item in the budget, so maybe I'll take the first one. It's not often that you will see a line item for a future project that is actually described by the city or one of our municipalities that would appear in the text and full body of the budget, just as there's no line item that says for the taxpayers of Alberta to support the Wildrose caucus, but unfortunately we have got to pay them, too. The line items that do apply to LRT are GreenTRIP, are things like the building Canada fund, are things like MSI, all of which are substantial commitments to the municipalities in our province for their public . . .

**The Speaker:** Thank you.

First sup.

**Mr. Jeneroux:** Thank you, Mr. Speaker. My next question is to the Minister of Transportation. Given the increasing importance of GreenTRIP across our province, I desperately urge you to consider a long-term funding commitment, Minister. Can you give active LRT riders like myself a clear message that you are committed to GreenTRIP across the province?

**Mr. Drysdale:** Well, Mr. Speaker, GreenTRIP by its very nature is a long-term commitment to sustainable public transit in Alberta. The program was first introduced in 2008, and as Budget 2014 clearly outlines, we have no intention of wavering on that commitment to fully fund GreenTRIP's original budget of \$2 billion by 2020. To date GreenTRIP has provided or approved funding for public transit projects in 15 Alberta municipalities, totalling more than \$1 billion, including \$497 million towards Edmonton's LRT.

**The Speaker:** Second supplemental, please.

**Mr. Jeneroux:** Thank you, Mr. Speaker. Back to the minister of Treasury Board and Finance: given that many of my constituents depend on the use of the LRT on a daily basis and are inconvenienced at having to commute simply to reach the nearest station and that the next phase of GreenTRIP will focus on expanding to the southeast and not to the southwest, when can we expect additional provincial funding that would assist the city of Edmonton to further expand the LRT system out to areas like mine in southwest Edmonton?

**Mr. Horner:** Well, Mr. Speaker, we don't set the priorities for the city of Edmonton's municipal funding and their infrastructure. The MSI envelope is very, very flexible around the capital. We increased that this year. The GreenTRIP is by application process, as we announced today, and we're expecting that the city of Edmonton will be making an application for the southeast line, which the mayor said was the city's number one priority. I'm aware that this hon. member has been lobbying hard for the southwest, and I know he's also been talking to the mayor quite a bit about moving that up in the priority line. They make their priorities.

**The Speaker:** Thank you.

Calgary-Shaw, followed by Fort Saskatchewan-Vegreville.

**Mr. Wilson:** Well, thank you, Mr. Speaker. Today is no doubt a day of celebration in the city of Edmonton. After seemingly endless rounds of raised hopes, letdowns, and broken promises from this PC government it looks like Edmonton finally got the support it needs for LRT expansion. It was a rocky process, one marked by the usual political manipulation of this government. To the Minister of Municipal Affairs: instead of this patchwork of unpredictable and politically motivated grants, why don't you just adopt a stable, long-term funding model like the Wildrose 10-10 plan?

**Mr. Hughes:** Mr. Speaker, the announcement today of the LRT in Edmonton is evidence if ever you needed it that there is stable, long-term, and substantial commitment to communities and the city of Edmonton specifically.

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

**Mr. Wilson:** Well, thank you, Mr. Speaker. Given that this PC government promised during the last election to double their

investment in cities through MSI to \$1.6 billion in 2014, doesn't the minister realize that if his government simply kept their word – kept their word – that Edmonton would receive \$152 million annually over and above what they're getting now, allowing them to fully expand their LRT system now and into the future?

**Mr. Hughes:** Mr. Speaker, the city of Edmonton is completely aligned with the province of Alberta in ensuring that we deliver upon the potential of this great city. I have something right here in my pocket. I have right here an LRT ticket, which is the ticket to the future, and you should get onboard. [interjections] I'll give you mine if you wish, Mr. Speaker.

**The Speaker:** I suppose there are others who have tickets, and they'll be flashing them. Yes, there we go. Let's remember that the use of props is forbidden in this Assembly.

Move on with your final supplemental.

**Mr. Wilson:** Thank you, Mr. Speaker. Given the broken promise on doubling the MSI commitment, not to mention the pile of broken promises on things like fixed elections, no debt, balanced budgets, a proper health care inquiry, and promises like building 50 new schools, a certainty to be eventually broken, how can the people in Edmonton have any confidence whatsoever in your promise today that stable LRT funding will be there in the future?

**Mr. Hughes:** Mr. Speaker, the evidence will be in the delivery of the LRT line over time. I believe that the mayor of Edmonton is fully committed to achieving this goal. He's got to work, of course, with the government of Canada in order to achieve that. The federal government has to match our funding in order to make it happen. We'll all be working together arm in arm to make sure that we deliver the services for the people of Edmonton into the future.

**The Speaker:** The hon. Member for Fort Saskatchewan-Vegreville, followed by Calgary-Buffalo.

## 2:20 Educational Curriculum Redesign

**Ms Fenske:** Thank you, Mr. Speaker. My first question is to the Minister of Education. Over the past several months there's been a growing concern among Alberta parents, teachers, and trustees that the Minister of Education is taking a radical approach to redesigning our provincial curriculum. I've heard comments like: don't throw the baby out with the bathwater. Really, Mr. Minister, if this is what you are doing, though you've stated in this House over and over again that we have the best system in the world and that our students rank among the best in international assessments, why are you making changes to the curriculum?

**Mr. J. Johnson:** Mr. Speaker, quite simply to make it even better. It's true that we have one of the best systems in the world, and international tests attest to that. Unlike the opposition, I'm very proud of our system and of our teachers, that make it so great. But it's only because we continually improve and continually change our curriculum that it is so great, and that's what this is about. It's about taking the world's best practices and leading research and taking the good things that we do and then adding in what Albertans like Dr. Tran-Davies have told us they want, what employers want, that they're not getting out of the education system, and working to make a great system even better.

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

**Ms Fenske:** Thank you. Back to the same minister: can you, Minister of Education, explain what the main objectives of the redesign are so that the parents and the teachers can have more certainty about what the government is really trying to accomplish?

**Mr. J. Johnson:** Absolutely, Mr. Speaker. I'd be happy to. Obviously, we need more time than we have in question period, but we can boil this down to three main things. One is that, you know, educators and parents complain that the curriculum is too compact, that there are over 1,400 outcomes, that they can't get through it all, that teachers can't use their creativity, and that they can't drill down on subjects, so we want to make it a little bit more flexible. The other thing we want to do is that we want to put a re-emphasis on the basics, literacy and numeracy. We don't want those just in math and language arts; we want those to weave through all the subject areas. Then, thirdly, we want to respond to employers, who have told us that in the 21st century the soft skills like problem solving, communication skills, and collaboration skills are important and that entrepreneurialism needs to be instilled in the system.

**The Speaker:** Final supplemental.

**Ms Fenske:** Thank you. Again to the same minister. I'm happy to hear some of the things that you've just said. Given that opponents of the redesign use the terms "discovery learning" or "teachers are partners in learning" and "students are self-directed learners," if this is truly true, how do the basics fit into this?

**Mr. J. Johnson:** Mr. Speaker, firstly, I want to respond to the comments on discovery learning and teachers as only the partners in learning. It's absolute rubbish. That's not where Alberta is going. That's not where we are today, and that's not where we're heading. Alberta's teachers will still teach. Students will not be left to discover concepts on their own. Curriculum redesign does not prescribe a method of teaching that will be mandated or used. It's not just about rote memorization. It's not about inquiry-based learning. It's using all the tools in the tool belt to reach every kid.

## Electricity Pricing

(continued)

**Mr. Hehr:** Mr. Speaker, the evidence keeps mounting that TransAlta Corporation may in fact have had the full blessing of the province's electricity authorities when it shut down its power plants at peak times to drive up prices. Documents obtained from the Market Surveillance Administrator and from the Alberta Electric System Operator both unequivocally state that economic withholding or, less cryptically, price gouging is simply rational economic behaviour encouraged by the powers that be. To the minister of electricity: were the MSA and the AESO simply implementing government policy when they did this?

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

**Ms Kennedy-Glans:** Thank you, Mr. Speaker. It's amazing how expert this particular member has become in electricity law. Right now this issue is before the Alberta Utilities Commission. They are the adjudicator responsible to hear this case. For us to offer opinions at this point in time actually compromises consumers, and I would remind this member, including all members of the opposition, that they can be called before the regulator to clarify their comments.

**Mr. Anderson:** Point of order.

**Mr. Hehr:** Let me be clear, Mr. Speaker. The Alberta Electric System Operator and the Market Surveillance Administrator clearly state in documents that economic withholding, in other words price gouging, is legal in this province. I'm just asking: was this government policy that they were implementing, or were they doing this at their own behest on some Wild West rampage?

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

**Ms Kennedy-Glans:** Thank you, Mr. Speaker. To reiterate: are companies in this province allowed to engage in anticompetitive behaviour? Of course not. We are a jurisdiction that cares about consumers. We've been focused on a free, efficient, and openly competitive marketplace that protects consumers. Prices are brought down when we do that. We've added 10,000 megawatts of electricity in the past 16 years here in Alberta. I think we should focus on our strengths and not just focus on undermining the system.

**Mr. Hehr:** Well, then this question should be fairly easy for the minister to answer. Is it legal for a company to withhold electricity from the market in an effort to raise the prices paid by Albertans on their electricity bills? Price gouging: is that legal in this province?

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

**Ms Kennedy-Glans:** Thank you, Mr. Speaker. The member is asking a question he knows full well that I cannot answer in this House without compromising the independence of the AUC review. Companies in this province are clearly not allowed to participate in anticompetitive behaviour.

**The Speaker:** Thank you.

Hon. Member for Airdrie, your point of order and, hon. leader of the ND opposition, your point of order were both noted at 2:25 p.m.

Let us move on. The hon. Member for Edmonton-Beverly-Clareview.

### **Educational Curriculum Redesign** (continued)

**Mr. Bilous:** Thank you, Mr. Speaker. The Minister of Education has embarked on a sweeping overhaul of the kindergarten to grade 12 curriculum across all subjects. Not only has he decided to roll out the changes all at once, something that will put exceptional stress on our teachers and system; he's doing it over two years instead of six. The pace is a disservice to our children, parents, and teachers. To the Minister of Education: will you slow down the breakneck speed of curriculum redesign so we can make sure it's done right?

**Mr. J. Johnson:** You know, Mr. Speaker, it's an excellent question, and we would absolutely slow it down to make sure it's done right if that's what's required. We're doing this in a different method than we normally do. Normally, we have educators sitting in Edmonton in the Education department working on curriculum one subject at a time for 10 years. That's not good enough anymore. It's not nimble; it's not responsive. This request, this new model, has come from educators. It has come from school boards. They're the ones working on it. They'll develop prototypes. If they're not right, they won't be implemented. So we're

not talking about a broad, radical implementation in 2016. We'll get it right.

**Mr. Bilous:** I'd say to the minister that that's jumping from one extreme to the other.

Mr. Speaker, given that in a document from Alberta Education we'll be tabling shortly, Suncor and Syncrude are titled key education partners in the development of our kindergarten to grade 3 curriculum and given that K to grade 3 represents an especially formative time in our children's lives, will the minister please explain to the parents of Alberta the benefits oil and gas companies can expect to receive from codeveloping curriculum for their five-year-olds?

**Mr. J. Johnson:** Mr. Speaker, it's only the NDP that think that there's a small group of Albertans that have a stake in the education system. Everyone, every Albertan, has a stake in the education system in this province, and every corner of Alberta has been invited to participate in consultations like Setting the Direction, like Speak Out, which is a student engagement, like Inspiring Education. We take all that input, and we want employers, we want libraries, we want parents, we want grandparents, we want everybody to have a voice in the curriculum redesign as well.

**Mr. Bilous:** That's pretty rich, Minister, considering there's a short list of who's invited, and it's not every Albertan.

Given that oil and gas companies have no business in curriculum development of kindergarten to grade 3 and given that oil and gas companies have been elevated to the same status as teachers in our classrooms, will the minister admit that he thinks teachers might get in the way of his vision for selling out classrooms to the highest corporate bidder?

**Mr. J. Johnson:** Mr. Speaker, just a ridiculous comment. You know, I'd just refer back to: we want every corner of the province involved in this. The oil and gas industry is a strong piece of our economy. What part are they involved in in the grades 1 to 3 classrooms? I can't specifically answer that question, but in general we want all the business community paying attention to and engaged in the education system just like Dr. Tran-Davies is.

**The Speaker:** The hon. Member for Highwood, followed by Barrhead-Morinville-Westlock.

2:30

### **Flood Recovery and Mitigation**

**Ms Smith:** Thank you, Mr. Speaker. I have been patient with the government on the response to the flood, but like my constituents, my patience is wearing very thin. I have so many questions to ask because the government response has been so muddled. For instance, I note that the budget mentioned new flood mapping. Finally. We have said all along that new flood mapping is needed because the maps are wrong, and it is causing the government to waste money that could be better spent elsewhere. Will the Minister of Municipal Affairs halt the foolishly expensive policy of demolishing safe neighbourhoods like Beachwood until he gets accurate flood maps of High River?

**Mr. Hughes:** Mr. Speaker, this was, we all know, the largest, most difficult natural disaster in Canadian history, and I have to say that actually trying to politicize issues like this is inappropriate and not acceptable.

I can tell you, Mr. Speaker, that the flood maps that are being worked on will demonstrate, if anything, that we're probably working within the appropriate parameters and perhaps need to be

more concerned about wider parameters on flood plains. We're just trying to ensure at every step that we protect Albertans and that we protect their property for the future.

**Ms Smith:** Mr. Speaker, Pat George is one of the few lucky residents in High River whose home didn't flood during the worst floods in our history, but the flawed maps say that his home falls in a floodway, and he is being pressured to accept the government buyout and relocate. The government won't pay him enough to replace his home in High River. Pat doesn't want to leave. Both High River town council and Pat have pleaded with the government to reconsider. Will the minister admit that his maps are wrong and let Pat George stay in his home?

**Mr. Hughes:** Well, Mr. Speaker, should there be any specific cases, I am happy to take them up. What I can tell you is that the government of Alberta has taken every responsible step to ensure that Albertans who were affected by the flood have all the choices that we can possibly provide to them so that they can make those decisions, take a look at what their options are in the future, and make those decisions as soon as they possibly can, with more options such as in the case that this member has mentioned.

**Ms Smith:** That's nonsense. It's been nine months since the floods, and I'm sad to say that there are too many of my constituents and business owners who are still waiting for even basic rebuilding assistance.

Frankly, the government's disaster recovery program contractor, LandLink, is an incompetent train wreck. They have been slow, unresponsive, uncompassionate, and unhelpful. Will the minister address this dysfunction by firing this failed contractor and creating a disaster recovery program that actually works?

**Mr. Hughes:** Mr. Speaker, on this case it is quite clear to me that the contractor has been helpful to the province of Alberta for a long period of time, but that contract comes to an end at the end of this month. They will not be part of any future disaster recovery program in the province of Alberta.

**The Speaker:** The hon. Member for Barrhead-Morinville-Westlock, followed by Livingstone-Macleod.

### Grain Rail Transportation Backlog

**Ms Kubinec:** Thank you, Mr. Speaker. In 2013 one of the largest crops on record was harvested, but farmers across western Canada are experiencing railway and port delays transporting grain. Grain companies are being forced to reduce crop prices because they cannot guarantee delivery to the ports. On Friday the federal government announced that they would take measures to move more grain through the transportation backlog. To the minister of agriculture: can you clarify what some of these measures are and tell us if you support them?

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

**Mr. Olson:** Thank you, Mr. Speaker. This is an issue that is very important to our producers, and I know it's important to this hon. member. She's been very vocal to me. I know that she and her family have been attempting to move their grain, as many other Alberta producers have.

This is federal jurisdiction, and Alberta has been on record for years wanting some action taken in order to make sure that grain moves in a timely manner. We saw on Friday the federal government take an immediate step, which was an order in council

requiring minimum grain movement, ramping up over a period of four weeks, on pain of \$100,000-a-day penalties.

**The Speaker:** First supplemental, hon. member.

**Ms Kubinec:** Thank you, Mr. Speaker. To the same minister: given that the grain backlog has negatively affected many producers in Alberta, can you explain the impact that these changes will have on the agricultural industry and why it is important that we act quickly?

**Mr. Olson:** Mr. Speaker, my understanding is that across the prairies over 90 per cent capacity is now kind of the norm in grain elevators while at the same time we're at all-time lows at the terminals at the ports on the west coast, with at last count some 55 ships sitting offshore waiting, so it's a serious problem. The measures that were announced on Friday were short-term measures.

Also, very significantly, though, the federal government announced that they are going to be looking at legislation. That's a longer term fix, and we're fully engaged in that discussion.

**The Speaker:** Final supplemental, hon. member.

**Ms Kubinec:** Thank you. To the Minister of Transportation. Alberta is an exporting province. How do you think this will affect the movement of other commodities as well?

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

**Mr. Drysdale:** Thank you, Mr. Speaker. I'd like to thank this hon. member for her question and for how hard she works for her constituents, in particular her grain producers.

I know as well as anyone how important it is for Alberta farmers to be able to move their harvest to global markets, and I've spent a lot of time recently meeting with producers, rail companies, and other stakeholders to address this issue. I'll continue to work closely with my cabinet colleagues and federal counterparts on a solution that will move Alberta agricultural producers' products by rail quickly and efficiently.

**The Speaker:** The hon. Member for Livingstone-Macleod, followed by Edmonton-McClung.

### Rural Emergency Medical Services

**Mr. Stier:** Thank you, Mr. Speaker. Back in November the Minister of Health said that his government was actively exploring options to move interfacility transfers outside of emergency services so that they weren't tying up local rural ambulance services. In February he put out a release once again stating that his government was actively exploring options to move interfacility transfers outside the EMS. Minister, it's March, and this issue puts patient risk every day onto residents in my constituency. When and how will this problem be finally resolved?

**Mr. Horne:** Mr. Speaker, the hon. member is correct. In fact, we know that today about 30 per cent of all ambulance calls in the province are for interfacility transfer. In many cases these involve patients in continuing care facilities or even at home being transferred for routine appointments. There are a number of issues on the EMS front that we have been dealing with. This is a major initiative, and the hon. Associate Minister – Public Safety is actively engaged in this file as well. We are continuing to work on the issue, and when we have something major to announce in this realm, we will.

**The Speaker:** The hon. member. First sup.

**Mr. Stier:** Yes. Thank you. Given that the government recently acquired a new facility where ambulance units have been noticed in the south of Calgary, in a prime retail location along Macleod Trail at a former car dealership, can the minister describe what the purpose of this new facility is, what it cost, and what improvements this will offer to the EMS system in southern Alberta?

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

**Mr. Fraser:** Thank you, Mr. Speaker. Working in part of that system and out of that very facility, the discussions have been ongoing for years. Just to address those issues of rural Alberta getting ambulances back to their base, when an ambulance goes down and needs a piece of equipment, it's better to house it out of a southern positioning facility, and that's what they've done. They've brought equipment and people to fix that equipment so that these ambulances can get back into their community. It's a good thing. It's cost-effective. It gets us out of fire halls and gets us back where EMS work can be done, consolidated, and better patient care can take place.

**The Speaker:** Final supplemental.

**Mr. Stier:** Thank you. Considering that the EMS personnel are informing me that despite the new Calgary facility being apparently in place, a lack of vehicles and equipment in southern Alberta remains as a continuing issue, what new options is the minister exploring to address this ongoing problem, then?

**Mr. Fraser:** Mr. Speaker, as you can imagine, our province is growing very quickly, not to mention that there's a person becoming a senior every 15 minutes. They come with complex needs, particularly in rural Alberta. As we grow, we need to have facilities in place. We need to have people in place. We're looking at every option. We know how important it is. This is a world-class system that I think is going to be better. We're exploring options that are going to increase our clinical capacity to care for these people in seniors' homes, perhaps family care clinics. This is very complex, and we're working with all the stakeholders to make sure that happens.

**The Speaker:** The hon. Member for Edmonton-McClung, followed by Innisfail-Sylvan Lake.

### Municipal Funding

**Mr. Xiao:** Thank you, Mr. Speaker. The Alberta government has several grants and initiatives to provide infrastructure funding to municipalities. However, it is sometimes difficult for municipalities to plan for long-term projects as this funding must be applied for on a year-to-year basis. To the Minister of Municipal Affairs: what is the government's plan to help municipalities with long-term infrastructure planning?

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

**Mr. Hughes:** Thank you, Mr. Speaker. Well, we all know that some of these large projects, for example the LRT in Edmonton, on which we made a major announcement today in collaboration with the city of Edmonton, require long-term commitments. These municipalities require some heads-up in terms of how they can use their resources, and that's what you saw today. It was an exceptional commitment on the part of the province to work with the city of Edmonton to ensure that the citizens of Edmonton are well

served long into the future. We have a reliable, predictable set of funding mechanisms, including the MSI, in order to provide that support.

2:40

**The Speaker:** First supplemental.

**Mr. Xiao:** Thank you, Mr. Speaker. To the same minister: given that the municipalities are facing infrastructure challenges, do we have a plan to improve the funding model for municipalities, particularly in major centres such as Edmonton and Calgary?

**Mr. Hughes:** Well, Mr. Speaker, we have a plan to work not just with the large centres but with all other municipalities as well, with 347 communities. We have the GreenTRIP transit incentives; we have policing grants; we have social supports; we have the municipal sustainability initiative, both operating and capital; and, in addition, the Alberta community partnership this year, which is a program designed to enable and to support municipalities that wish to work together, which is an important part of the Alberta value system that we all have grown up with.

**Mr. Xiao:** To the same minister: given that a stable funding structure is crucial to providing essential local services, what will the government do to ensure that the municipalities receive the funding they need despite fluctuating municipal tax revenues?

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

**Mr. Hughes:** Thanks, Mr. Speaker. Well, we're providing nearly \$2 billion directly to municipalities across the province. We've also added \$150 million into the municipal sustainability initiative over three years as well as an additional \$20 million to the Alberta community partnership to fund regional initiatives. These are substantial commitments from the government of Alberta to the municipalities of this province to help ensure that they are well supported in delivering these very important services to all Albertans.

**The Speaker:** Hon. members, that concludes question period for today.

In 30 seconds from now the Clerk will announce the next section of our proceedings.

### Members' Statements

*(continued)*

**The Speaker:** Hon. Member for Olds-Didsbury-Three Hills, I believe you have the final member's statement. Please proceed.

### Lyme Disease

**Mr. Rowe:** Thank you, Mr. Speaker. Last week I asked the Minister of Health a number of questions about the availability of testing and treatment for Albertans with Lyme disease. Lyme disease is the most common tick-borne disease in North America and can result in serious and debilitating symptoms. Left untreated, heart and muscle damage and even meningitis can result. These are serious symptoms of a serious disease that deserves a serious response from this government.

In my response to questions last week the Health minister assured that both he and the government understand the severity of Lyme disease and the importance of timely treatment. It was good to hear this from the minister. However, this is not reflected in patient experiences. I have a number of constituents with heart-breaking stories of roadblocks not only in trying to get treatment

for Lyme disease but even in accessing the two-stage diagnostic testing for Lyme disease.

One constituent of mine wrote to me about her life changing overnight in November of 2012, when she woke up to intense vibration in her chest and head. Blood tests, X-rays, ultrasound: when all of these tests came back negative, doctors began to suspect it was all in her head. She was prescribed antipsychotics and anti-anxiety medication and sent on her way, none of which helped with her debilitating symptoms. When a family member familiar with Lyme disease suggested she get tested, she found the only option was to pay \$2,000 for private testing in the U.S., a test that confirmed it was, in fact, Lyme disease. Despite that diagnosis, she has struggled to receive treatment here in Alberta.

Mr. Speaker, I could go on and on with horror stories from people who have written about problems accessing health care when they join the unfortunate club of those afflicted by uncommon or rare diseases. Despite the minister's assurances that Lyme disease treatment and testing is a priority, there are dozens of Albertans who would beg to differ.

Thank you.

### Tabling Returns and Reports

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

**Mr. Oberle:** Thank you, Mr. Speaker. It's a pleasure to rise today and table the appropriate number of copies of a letter that I've received from some constituents. The letter is accompanied by a couple hundred signatures. They're concerned that, as the director of Alberta health care in the community of La Crête informed them, cuts to their long-term care are both imminent and definite. I will take it up with the minister, but I table this letter as a plea to Alberta Health Services to stop dropping these bombs in my rural communities and start working, co-operating, and consulting with the community so we can move ahead together and provide equitable health care access.

**The Speaker:** Thank you.

The hon. Member for Edmonton-Calder, followed by Edmonton-Beverly-Clareview.

**Mr. Eggen:** Thank you, Mr. Speaker. I will do Edmonton-Beverly-Clareview's tabling as well. The first one I have here is the first 50 of more than 4,000 postcards our office has received asking the PC government to restore consistent and reliable funding to postsecondary education in Alberta.

The second tabling I have today is an appropriate number of copies of a document from Alberta Education entitled Alberta Education's Curriculum Development Prototyping Partners. This document shows that companies like Syncrude and Suncor are considered key education partners and stakeholders in the development of curriculum for those as young as K to 3.

Thank you.

**The Speaker:** Thank you.

The hon. Member for Calgary-Buffalo.

**Mr. Hehr:** Well, thank you, Mr. Speaker. As you're aware, in today's question period I referenced documents from the Alberta Electric System Operator that were given out December 2013 in a meeting with members of that organization, the Market Surveillance Administrator, and players in the marketplace. It clearly shows that the AESO understood that there were unilateral exercises of market power in its offered behaviour enforcement guidelines and that it essentially allows for economic withholding

to be practised in this province. In my view, a lot of that amounts to, simply, market manipulation. It's a very enlightening document. I'd encourage everyone to take a look at it as it seems to indicate a lot of what's going on here in the marketplace.

Thank you.

**The Speaker:** Are there others? The hon. Member for Drumheller-Stettler.

**Mr. Strankman:** Yes, Mr. Speaker. I have the requisite copies, too, to table of the information regarding my comments today in the Legislature. For your interest it also includes a picture of the \$99 rib steak that's available to you should you attend the Canmore facility.

**The Speaker:** Are there any other tablings? I'm sorry. Barrhead-Morinville-Westlock, did I miss you? Yes, I did. My apologies. Please proceed.

**Ms Kubinec:** Thank you, Mr. Speaker. I'd like to table five copies of the letter of support from Lethbridge county regarding my Bill 201.

**The Speaker:** Thank you.

Are there others?

Seeing none, will you then allow me, please, to table a letter from the École Innisfail middle school? You may recall that yesterday we had a bit of a set-to here during question period, and I indicated that a letter had been circulated to all of you. In fact, the letter was written by this school to all elected representatives of Alberta. I spoke with the principal today and obtained permission from him to table this letter and let everyone see it, to make sure everybody got it. So it's going out to you. In this letter, among other things, they comment on their disappointment with the behaviour and language used in this Assembly on a particular day in November and state that they will not bring their students back into session. I'll table that letter now.

2:50

### Tablings to the Clerk

**The Clerk:** I wish to advise the House that the following document was deposited with the office of the Clerk: on behalf of the Hon. Mr. Zwodzesky, Speaker of the Legislative Assembly, procedural letter 2014, Second Session, 28th Legislature, dated February 11, 2014, from Hon. Mr. Zwodzesky, Speaker of the Legislative Assembly, to all Members of the Legislative Assembly, referenced by the Speaker in the Assembly on March 10, 2014.

**The Speaker:** Thank you.

We're going to move over to points of order, and I think we have three to be heard. Let me just get my list here. I think the first one was Airdrie, who rose at 2:03 p.m. Let's do that one first, and then we'll go elsewhere.

**Mr. Anderson:** Okay. Well, I have two. One could technically be a point of privilege, but it's a point of order. Then the other one is a point of privilege, Mr. Speaker. I'll deal with the point of order first, from 2:03.

**The Speaker:** Well, a point of privilege trumps a point of order. Strictly speaking, we should go to the point of privilege first. I see that the leader of the ND opposition has that same point. Since you were up first, let's hear your point of privilege, then, and if it mirrors the other one, we'll hear a word or two from him as well.

Let's go with Airdrie, please.



**Mr. Anderson:** You know what? I will cede the floor to the Zen master from the NDP. He can go first on the point of privilege.

**The Speaker:** The hon. leader of the ND opposition on a purported point of privilege.

**Mr. Mason:** With your permission, Mr. Speaker – and thank you to the hon. member – I’m rising on a point of privilege directed against the Member for Calgary-Varsity, the Associate Minister of Electricity and Renewable Energy. I have a number of citations. I don’t have the Blues, but I distinctly recollect the hon. associate minister suggesting that if members of the opposition weren’t careful, they could be called before the regulator to clarify their comments. This was part of her argument that she can’t answer questions about electricity price manipulation or pricing in the province because of some ongoing hearings with respect to a particular case involving TransAlta.

Now, Mr. Speaker, that constitutes a threat, and under section 93 of *Beauchesne’s* – I’m just turning to it now – it says, “It is generally accepted that any threat, or attempt to influence the vote of, or actions of a Member, is breach of privilege.” That is the first thing.

Secondly, just as a matter of fact, no member can be compelled to appear in a court or by extension, I would argue, can be compelled to appear at any regulatory hearing. That is something, perhaps, the associate . . .

**The Speaker:** Hon. member, could I just interrupt momentarily? Do you wish to argue this point right now or just give notice of it so that you can have the benefit of the Blues and better prepare yourself?

**Mr. Mason:** I think I can go now.

**The Speaker:** Okay.

**Mr. Mason:** If that’s your wish, we can come back tomorrow.

**The Speaker:** Well, it’s your call, not mine. I’m just saying that the benefit of the Blues might help.

**Mr. Mason:** Perhaps the hon. member would like some time to prepare as well.

**The Speaker:** Well, I don’t know if anybody knows exactly, verbatim, what was said, what wasn’t said, so you might want the benefit of the Blues. It’s your choice. What is your answer?

**Mr. Mason:** You don’t have the Blues, Mr. Speaker?

**The Speaker:** Hon. member, I can’t get into a debate on this. I have Blues for one section, at 2:23, but I don’t know if that’s what you were referring to.

**Mr. Mason:** On your advice – and I appreciate it very much, Mr. Speaker – I will simply, then, give notice, and I will prepared tomorrow to bring this forward, okay?

**The Speaker:** Thank you very much. That notice has been noted.

We will move back to Airdrie. You had a question of order, I think, on the Minister of Education.

**Mr. Anderson:** Well, I had a question of privilege, but I think I will let the hon. leader of the NDP handle that tomorrow, and I’ll speak to it at that point. It was about the exact same statement.

I do have the point of order. Would you like me to move to that, Mr. Speaker?

**The Speaker:** We could go to your point of order right now, that was raised at 2:03, I think. The first one, in other words.

#### **Point of Order Factual Accuracy**

**Mr. Anderson:** All right. To the point of order. Again, I don’t want to burden the time of this House with a point of privilege, but this could fall under that. I will just use Standing Order 23:

- (h) makes allegations against another Member;
- (i) imputes false or unavowed motives to another Member;
- (j) uses abusive or insulting language of a nature likely to create disorder.

This is in regard to a question that the Member for Chestermere-Rocky View asked. The question to the Minister of Education was: “Will the minister, not his deputy minister, not his [political staff but the minister] commit to sitting down and meeting with Dr. Nhung Tran-Davies and her team of experts today as they have been asking him to for months?” The Minister of Education replied that this member well knows that they have met with this individual, Dr. Tran-Davies, several times. Three times, I think he said.

This statement was false. That has not occurred. The minister should be ashamed to insinuate in response to this question that he has met with Dr. Tran-Davies. It just has not occurred. I don’t know if they’re meeting right now or not. I mean, we can have different views of the facts on many different things, Mr. Speaker, but it’s very difficult when a minister of the Crown gets up and in front of everybody, on television and in this Assembly and so forth, makes a statement that is patently false. It’s hard to have a really good dialogue, and I would say that, you know, as much as banter might be offensive to the school kids, flat-out dishonesty is probably more offensive.

**Mr. Oberle:** Well, Mr. Speaker, we could call a point of order if we’re going to toss threats around on the point of order there because the statement that member made is false if you listen to what he said. The minister did not say: I have met with Dr. Tran-Davies three times. He said, “We have met . . .” “We” could be the government of Alberta, or “we” could be the department, which in this case is actually the case. She has met with department staff, she has met with the deputy minister, and she has met with the chief of staff. That has nothing to do with the question that the hon. member asked in the first place. This opposition party can’t get used to the fact that this is question period, not answer period.

The minister said “we” – the minister said “we” – and that is a statement of truth. If anybody should withdraw remarks, it’s that hon. member for calling the minister a liar, Mr. Speaker.

**The Speaker:** Well, hon. members, unfortunately, I don’t have the Blues at hand, and I don’t think anyone else does, so I’m going to simply accept both sides of this argument. There are frequently opportunities here for members to disagree on items. Now we have some clarification of the word “we,” and we all understand how “we” can be used in the collective sense, in the plural sense, so the points have been aired, and they have been clarified on both sides.

We’re going to now move on. I believe that according to Standing Order 7(7) the daily Routine is now concluded.

**Orders of the Day**  
**Government Bills and Orders**  
**Second Reading**

**Bill 5**  
**Appropriation (Interim Supply) Act, 2014**

**The Speaker:** The hon. President of Treasury Board and Minister of Finance.

**Mr. Horner:** Thank you, Mr. Speaker. It is my pleasure to move second reading of Bill 5, the Appropriation (Interim Supply) Act, 2014.

The Appropriation (Interim Supply) Act, 2014, will provide funding authority to the offices of the Legislative Assembly and to the government for the period of April 1, 2014, to May 15, 2014, inclusive.

It is anticipated that funding authority for the entire fiscal year ending March 31, 2015, will be provided before that date. The required funding authority for the full year is detailed in the 2014-15 government and Legislative Assembly estimates tabled on March 6, 2014. These interim supply amounts reflect both the anticipated date of full supply and the fact that many payments are monthly. Other payments are due at the beginning of each quarter and at the beginning of the fiscal year.

The act would provide spending authority for the following amounts: \$20.9 million for the Legislative Assembly and \$5.4 billion in operational, \$1.6 billion in capital investment, and \$293.8 million in financial transactions for the government.

Thank you, Mr. Speaker.

**The Speaker:** The hon. Leader of Her Majesty's Loyal Opposition.

**Ms Smith:** Thank you, Mr. Speaker. I'm rising today in response to the government's budget, the appropriation bill, Bill 5. I have to say . . .

**Mr. Anderson:** No.

**Ms Smith:** Oh. Wasn't I supposed to . . .

**Mr. Anderson:** This is budget response, right? Are we still on Bill 5? Never mind. Sorry. Premature.

**The Speaker:** I believe the hon. Minister of Finance moved Bill 5.

**Mr. Horner:** I moved second reading of Bill 5.

**The Speaker:** Second reading of Bill 5. So is there a change in your batting order, opposition?

Okay. Let's hear from the hon. Member for Airdrie.

3:00

**Mr. Anderson:** Wrong bill here.

I want to rise very briefly on Bill 5 because, obviously, it is related to our budget response, and I don't want to be repeating myself. Bill 5, of course, is an interim supply bill, where we have to – the budget won't be passed by March 31. The government still needs money to keep the lights on and do the things that government does on a day-to-day basis, and they need to do so before Budget '14 is passed. So here we are, and we do this. We did this last year as well. We generally didn't do this before, but this is something we did last year as well. What it speaks to, Mr. Speaker, is a bit of broken system in this regard. We shouldn't do

this. This is really bad practice. We should have the budget passed by March 31 every year. That should be how it works. Under the standing orders, generally, we're supposed to come back in the second week of February, which would allow a budget to be introduced and most likely be passed by March 31. If that's not enough time, we should move it up another week or two.

The point is that the people of Alberta pay everyone in this Assembly a six-figure salary to do a job, and they expect the folks in here to do a job competently. One of those things would be to pass a budget on time. The problem with doing this sort of interim supply, where we have to fund a month of operations or two months of operations while we wait, is that we don't get to properly debate everything that's in that interim supply bill. It's almost a presumption that we'll be passing Budget 2014 without even debating Budget 2014.

Now, I'm not saying that's illegal or against the practices of the Legislature or hasn't been done anywhere else or anything like that, but what I am saying is that it's bad practice. Competent governments are able to get things done by a proper deadline, by the deadline that the people expect, and the people do not expect us to be approving billions and billions of operational and capital spending right now in a three-line document entitled Bill 5, because the government couldn't come to work in time to pass the budget properly before March 31. That's not the right way to do things.

We hope that the government will get its act together. Hope springs eternal, Mr. Speaker. Next year we can do one less bill in this Assembly and just have the budget introduced in early February, pass it by the end of March, and on April 1 the money will flow accordingly. That would be the proper way to do it.

Now, there are many problems with the allocations in this budget, and we will talk about that in our response to the budget speech so that we're not duplicating our words. But in our suggestions for the government that we give in our budget responses, the Leader of the Opposition and myself as Finance critic hope that whatever we say there would apply to this Bill 5 if we had the time to do it twice.

With that, I will move to adjourn debate on Bill 5.

[Motion to adjourn debate carried]

## Government Motions

### Provincial Fiscal Policies

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

[Adjourned debate March 6: Mr. Wilson]

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

**Ms Smith:** Thank you, Mr. Speaker. Let me start again. I'm pleased to stand and respond to the government's budget, released last Thursday. I have to tell you that when it first came out, we were very surprised. We thought that the government had a historic opportunity to actually do the right thing and get back into a real, full, consolidated budget balance. And why wouldn't we have thought that? They are going to have record revenues this year. Even when you look at last year's revenues, it looks like on paper they had record revenues, but it doesn't account for one-time funding that came in from the federal government for flood mitigation.

We are going to have record revenues this year and an additional billion dollars worth of transfers from the federal government

for the health transfer because of the change in formula. There would have been some very simple things the government could have done to get into a full, consolidated budget surplus if they had just actually kept the commitment that was mentioned in the throne speech to increase year-over-year spending by less than the rate of inflation and population growth. They weren't able to do that, not when you include the additional capital dollars, of course, that the government doesn't like to include in any of its consolidated statements. If you include not only the operational spending but also the increase in capital spending, they didn't manage to keep year-over-year spending increases under inflation plus population growth.

If they'd just done a couple of simple things like stretching out the capital plan an extra year or two so that they could actually build at a pace that industry could keep up with and that we could actually afford, if they'd cut wasteful spending – and we have hundreds of millions of dollars of identified wasteful spending in our budget recommendations – they could have very easily been able to get back into a true consolidated budget surplus. We were a bit worried they were actually going to do that, but they never fail to surprise. When they have the opportunity to do the right thing, they so often do the wrong thing, and in this case they did exactly that with this budget.

The fact that we've got record revenues at a time when the government has chosen also to take out record levels of debt is, in my opinion, breaking our commitment to be responsible for our future generations of taxpayers. Future generations of taxpayers are going to be saddled with debt for no reason. You look at the state of the economy. The government goes back and forth bragging about being in debt and then also bragging about how our economy is the fastest growing and the strongest in the entire country.

If you look at the report that came out last week talking about where job growth is being driven, it's being driven from this province, a hundred thousand new jobs, the vast, vast majority of them being driven in Alberta. Those are high-paying jobs, which means they generate a lot of personal income taxes. The companies employing those folks generate a lot of corporate income taxes. It's the reason why we continue to see our tax revenues go up.

We have a level of resource revenues that consistently is high, higher than any other province enjoys. This year \$9.2 billion is what is going to be suggested for our resource revenue. It may even come in higher than that. Yet we have a government that is still going to be taking out \$5 billion worth of debt this year. It is going to continue growing the level of debt year after year after year. In its three-year budget plan there is actually no projection over the next three years of a year in which they're actually going to run a real, full consolidated budget surplus. By the 2015 Budget we are going to have \$18 billion worth of debt. By the 2016 Budget we are going to have \$21 billion worth of debt.

We also have to ask the question: what does next year hold? Last year in their budget projections we were only supposed to be at \$17 billion of debt by the time we go into the next election. Already we're looking at having that increased by a billion dollars. It's clearly a government where it doesn't matter how much additional revenue they get. They are so committed to going into debt that they are going to go into debt no matter what.

Why is debt bad? They're spending an awful lot of time talking about why they think debt is good, but I can tell you why government debt is bad. It is government's job to invest in capital infrastructure. This is not an add-on that you do if you happen to have money left over. It's not: gee, we spent so much money on operation that we ran out of money to be able to spend money on

capital. This is core government business to invest in capital infrastructure. We have a government now that seems to be reluctant to do proper budgeting to allow for the fact that they have to have capital built and baked right into their consolidated budget amount and instead are trying to convince Albertans that somehow capital is different, that it can be treated as a separate budget, a separate line item.

I have to question whether or not this government has a serious commitment to pay it back. The Finance minister often talks about how it's like a mortgage. It is absolutely not like a mortgage. On a mortgage every single year you're paying a portion of finance charges and a portion of principal so that every single year it ends up getting paid down, year after year after year. Ultimately, you're ending up paying more on principal than you are on interest, and it gets paid off. There is no plan in this budget or next year or the year after that to pay off this level of debt. It is not one time. When a family takes out a mortgage for a home, it is a one-time level of debt that they take out. It goes out over time with a plan to pay it off. But, importantly, when a family takes out a mortgage to buy a house, the house is often an appreciating asset. It goes up in value so that at any point they can sell it to be able to pay off the debt, or at the end of their retirement, when it's paid off, it becomes one of their principal assets to fund their retirement.

### 3:10

The problem when politicians take out debt is that they are doing it to seek votes, and they are not going to be the ones who are going to be around to have to pay it back, especially when you look at the plan that they've put forward. They're putting aside so little money to actually pay this debt when it comes due that it is going to be left to future generations of taxpayers, not only kids and grandkids but great-grandkids and great-great-grandkids, if this government continues to get elected and its plan falls into place.

The argument that because interest rates are low, the government should borrow falls apart when there is no debt repayment plan. What happens, as we've seen this year, when debt comes up for renewal and you don't have the money set aside to repay it, you have to then reissue the bonds at whatever the prevailing interest rate is of the day. We know that this government has taken out debts for all sorts of different lengths of time: some 30 year, some 20 year, some five, some 10. Because they're not putting aside enough money to actually be able to pay off the debt when it comes due, we are left open to not knowing what our future interest payments are going to be. We are left not knowing how much in total we're going to pay in interest rates. Again, that makes it unlike a mortgage. In a mortgage people typically take it out for a fixed term, pay it off over time. The government does not have a plan to do that.

The other question I would have to ask. The Finance minister gives the impression that we're making this choice that if we didn't take out the debt, then we'd have to take it out of our savings, and it's our savings that are generating all of this additional investment income. He's implying that we're putting aside an equal amount of money in our savings to be able to pay off the debt that they're taking out, but that's simply not true, Mr. Speaker. There has never ever been any indication that our heritage savings assets would ever be liquidated to pay off the debt, so let's be frank that the heritage savings trust funds are not assets by which we should offset that debt.

It's also not correct to say that the sustainability fund is money set aside to be able to pay off that debt. That's simply not accurate as well. We know what the sustainability fund is for. It's to be able to stabilize our revenues in a period where we have a down-

turn in our resource revenues. There's no one contemplating that we would liquidate our sustainability fund to pay off that debt. So what dollar figure are we looking at to be able to offset that debt? It's \$34 million that was put away this year. They're adding about \$100 million to it next year, but we're ballooning our amount owing to \$22 billion by the time we get to 2016.

I have to ask the government a question. If they have such confidence in the market, are any of them taking out a mortgage on their homes so that they can invest in the stock market because they're going to earn higher earnings on their investments than they're paying on their mortgage payment? That's what they're suggesting real families do. Real families, responsible families don't do that, but that's exactly what the government is suggesting that we do.

They have such a short memory. Such a short memory. Back in 2009 – they may forget, but let me remind them – we had a market crash, and the heritage savings trust fund actually lost \$2 billion. So you can't just be like a gambler and only trumpet your winnings; you have to look at your investment returns over a long enough period of time and factor in some of your losses as well. The fact that they've taken us down this path, where they're essentially borrowing money to play the market: that isn't what people elect a government to do. They elect a government to responsibly manage the tax dollars that they get in, the revenues that they get in. I think that this strategy is flawed from the start, and I hope I'm wrong. I'm hoping that they'll be able to maintain their market returns, but I have to say that history has not demonstrated that we're able to get double-digit returns consistently every year, as the Finance minister seems to suggest.

The other thing I would remind you, Mr. Speaker, is that up until this point we have managed to build infrastructure debt free for about 20 years. I know that there's a mythology that has been created around how much capital infrastructure dollars were being spent in the Klein years. Klein only had a few years where he reduced spending and maintained a very reasonable and slow rate of growth for a period of time, but he started reinvesting in infrastructure spending. It wasn't a choice between building nothing and borrowing. He was actually able to do it all. He was able to maintain operating surpluses plus invest in capital, plus run real surpluses, which he was able to set aside in the sustainability fund. Let's remember that the sustainability fund got to \$17 billion by 2006, plus the debt was paid off. Whatever amount was remaining was set aside in the debt repayment fund to be able to pay off when it came due. Now, six short years later, we have a complete reversal of fortunes.

I would remind the members opposite that they used to believe exactly what I'm talking about right now. Their leader used to believe exactly what I'm talking about right now. With a couple of quotes – I mean, I'm assuming that some folks voted for her and her leadership because of some of the things she said at the time. She said – and I believe this – that “it's entirely possible for us to continue to provide the quality of life that we as Albertans have without going into debt, and I am committed to that.” November 8, 2011, PC leadership. She also said, shortly after becoming Premier, in this Legislature in her maiden speech as Premier: “Debt is the trap that has caught so many struggling governments. Debt has proven the death of countless dreams.” October 24, 2011, *Hansard*.

**Mr. Anderson:** It's just operational.

**Ms Smith:** She didn't say that it was just operational. She didn't say that we just have to run operational surpluses and that all the

debt that we take out to build capital doesn't really count. That's not what that quote actually said.

The fact that we have seen a complete reversal two years after the fact, even after a general election where these kinds of statements were made all through the general election, I have to wonder how it is that the Premier and the Finance minister and all the folks on the other side feel they actually have a mandate to do this. I certainly don't believe that they do have a mandate to do this.

Why did the Premier say that debt has proven the death of countless dreams? Why did she say that debt is the trap that has caught so many struggling governments? If you only had to worry about the principal, maybe you could make the argument that debt was manageable. If you didn't have to worry about fluctuating interest rates and all those finance charges, you might be able to make an argument that you could manage your levels of debt. But it's the interest payments that are the killer. It is the interest payments that are the death of countless dreams.

Now, let's talk about what our interest payments are going to be by the time we get to the next election: \$820 million in finance charges. That's a big number to try to wrap our heads around, \$820 million buying absolutely nothing. That doesn't buy a nurse or a teacher or a doctor or a corrections worker or a social worker. It doesn't pay for supports for persons with developmental disabilities. It doesn't pay to support our seniors. It is money that is simply going to bankers to finance the outstanding debt. We get nothing for it.

How does that compare with the cost of multiple ministries? Well, I have to tell you that to get an idea of just how big \$820 million worth of interest charges is, all of the operations of our Energy department are \$701 million in a budget year. All of the operations of our Infrastructure department, our operational side, are \$664 million; the entire operations of Environment and Sustainable Resource Development, \$559 million in a year; Municipal Affairs, our entire operations there, \$485 million. We can run the Service Alberta department for \$286 million; Aboriginal Relations, \$201 million; Tourism, \$193 million; Culture, \$177 million; the Jobs, Skills, Training and Labour department, \$167 million; Executive Council, the Premier's office, \$51 million; International and Intergovernmental Relations, \$39 million.

We have 11 ministries that operate on a budget on an annual basis that is lower than the \$820 million in finance charges that we are going to have to pay every single year for at least 30 years. We project that it's more like 70 years, and if they only put aside a hundred million dollars per year, as they are in this year's budget, it'll take over 200 years for them to actually pay back that level of debt. We will be paying those interest charges year after year after year after year, diverting money away from the things that really matter to Albertans. That is why debt is a trap that has caught so many struggling governments, and that is why Alberta should continue to strive to be debt free, and it would under a Wildrose government.

The other problem that we have with the budget is a problem that's been raised by the Auditor General. It's even actually been raised by the former Finance minister. Because we do not have a true consolidated budget – we have three separate budgets – it's almost impossible to actually figure out what the true shortfall really is.

It isn't any victory for them to claim an operating surplus. An operating surplus is not something that has ever been difficult for this government to do in the last 20 years. Even with Premier Stelmach, who had the misfortune of having a year where we had a global financial meltdown at a time when we also had a decline in natural gas prices, even in the year that he was Premier, the

worst that they did on the operational side was to have a \$59 million operational deficit. So to do some fancy footwork and change the definition of surplus and then try to claim that it's some great victory: I'm sorry; Albertans are not buying it.

3:20

The question that we have that is really peculiar, though, about what this government is now trying to sell us, is the pretense that they do have a consolidated surplus. They claim to have a consolidated surplus at the same time as they're borrowing \$5 billion. Now, Albertans are no dummies; they've been asking this question. They've been asking it of me in our office; they've been asking it on all of the social media pages: how come you can have a surplus but also have \$5 billion worth of new debt? The answer to that is quite simple. You don't really have a surplus. It's smoke and mirrors. It's a shell game. It's not real. That, I think, is what Albertans are saying loud and clear, and I think it also is diminishing the trust that they have in this government.

If the government wants to make the case about why we should go into debt, then they should actually be straight with Albertans about the level of the consolidated deficit. I have to tell you that it's become a bit of a parlour game every year, where you've got multiple different organizations trying to figure out what the actual shortfall is. We've calculated it out at about \$2.7 billion. The Canadian Taxpayers' Federation I think has calculated it out somewhere closer to \$4 billion. So safe to say that we have a shortfall this year of between \$2 billion and \$4 billion. And who knows? Depending on how energy prices go, it could be more; it could be less. The point is that we need to have a full, complete consolidated set of books so that we have the answer to this question.

I don't really care about comparing our practices to other provinces who have bad practices as well. We should be comparing our practices to our own best practices. The Finance minister I think was inaccurate when he suggested that Alberta had always done its books this way. I think that if you go back to the early days, when Premier Klein and Finance minister Jim Dinning came in, one of their goals was to have a single consolidated set of books. What is the total revenue coming in, what are the total expenses going out, and what's the difference? Unless you know how much your shortfall is, you are never ever going to plot a track to be able to get back into genuine surplus. This government used to know that, but it seems like they've forgotten the lessons over the last 20 years.

The other issue and concern that we have is with the heritage fund and the way in which the government is now, through Bill 1, changing to be able to allow them to skirt around the policy that they put in place last year. We were actually quite enthusiastic about their policy last year because it looked as though what they were trying to do was create a situation where the funds that are generated from the heritage fund would stay invested in that fund so that it could grow over time.

Now with Bill 1 this year they're actually carving out a number of different accounts so that they can create revenue streams from those accounts to be able to siphon off dollars that were supposed to be invested in the fund. Over the next 10 years we're going to see \$2 billion worth of interest income siphoned off in that way, which I think is, again, some more smoke and mirrors. I don't think that that was the intention of what the bill was last year that would have reinvested those dollars in the account. We're very disappointed that the government isn't doing it the way we think you can do it appropriately. We have no objection to endowment funds, but you have to do it the right way. You have to do it with real surpluses.

Let's remember where the heritage savings trust fund would have been if the government had actually kept to the commitment of keeping those investment dollars reinvested in the fund. We now have in that fund on a per capita basis fewer dollars than when the first deposit was made in 1976. If the government had simply kept with the plan of reinvesting that investment income, it would be worth \$165 billion today. Now, imagine if AIMCo had had the success of investing at 11 per cent. If they had had \$165 billion in that account, we would be looking at over \$16 billion in additional investment income that could go to fund the programs and services that Albertans care about. That was a huge lost opportunity. Unfortunately, by going down the same track of finding a new way to siphon off that investment income, the government is ensuring that we won't be able to reach that target going forward over the next 20 or 30 years.

What we would have liked to have seen is the government get back into real surplus. Our plan is to put 50 per cent of those surpluses in this heritage savings trust fund and keep that investment income growing in the fund until it gets to a point where it surpasses the amount that we're generating through oil and gas revenues so that we can wean ourselves off our reliance on oil and gas. I think that that's what Albertans want to see. Unfortunately, they did not see it in this budget. There was a better way to do it, but once again I think it's a missed opportunity on the part of the government.

I have mentioned a couple of our Wildrose recommendations for Budget 2014, and I'll go through a few of those now because I think that to understand why I'm disappointed with the budget today, we have to see the kinds of things that we think were very simple wins that would have set the right tone in government, would have set the right tone for our public service, and I think would have gone a long way towards helping us find the efficiencies that we need to be able to maintain surpluses in the long run.

We have 16 recommendations, Mr. Speaker, and I can table this document later so that it's on file. We would eliminate all associate minister positions and reduce the number of ministries to 16. We'd roll back MLA salaries. We'd cut cabinet minister pay. We'd cut the size of the Public Affairs Bureau in half and prohibit its partisan activities. We'd cap bonuses for public services. We'd limit their severance packages. We'd halt unnecessary extras to the new MLA offices in the federal building; I noticed that the cost overruns continue to go on in the federal building. We'd cap annual travel costs for the Premier, ministers, MLAs, and staff. We would end corporate welfare. We would reduce the cost of government and the AHS bureaucracy while protecting front-line services and positions. We would implement our 10-year, debt-free capital plan. We'd implement a rolling three-year, zero-based budgeting program. We would increase resources to the Auditor General's office and focus on value-for-money audits. We'd establish a waste-buster program protected by whistle-blower legislation, true protection under whistle-blower legislation. Once we get into savings, we would use that to pay down the Redford debt, and we would implement the Wildrose balanced budget and savings plan.

So let's talk about some of the ways in which this budget falls short. I've already mentioned that they did not actually live up to their commitment to keep the spending in line with inflation plus population growth. They're exceeding them. That's always what's gotten us into trouble. When the government increases spending above inflation plus population growth and it ends up outstripping the growth in our revenues, that's what causes our shortfalls. The way to be able to get back into long-term, sustainable surpluses is

by limiting year-over-year increases so that our revenues grow faster.

I think that what we often see and expect to see is that leadership really should begin from the top. If you want to be able to create a culture in the administration that you actually care about the dollars and cents, you actually have to see the ministers caring about dollars and cents themselves. Now, the media has already talked about the increases in the Premier's office, an additional \$1.2 million, including \$300,000 for additional letter writers. We already know about her expensive travel costs, but I don't see any indication that that is going to change.

Let's look at some of the other ministries where we see a large year-over-year increase for ministerial support. We see it in Energy, a 13 per cent year-over-year increase. We see it in Infrastructure, a 34.4 per cent year-over-year increase in ministerial support, and we see in Jobs, Skills, Training and Labour a year-over-year increase of 51 per cent. I have to wonder how the AUPE is going to respond to seeing that they're being asked to have 0, 0, 1, and 1 on their increases year over year, yet the minister responsible for this area sees a 51 per cent increase in his ministerial support budget. I guess he may have needed to get new walnut furniture and paint his furniture to be able to match, as he did in the last ministry he was in. This is exactly the kind of thing that demoralizes our public service, when they see politicians saying: do as I say, not as I do. Those are the scandals.

The other issue that we have is the absolute failure of the results-based budgeting process. We have the budget document and the throne speech trumpeting and proudly proclaiming that they've gone through 375 different programs and found all these efficiencies. Well, let me point out and give a shout out to the two ministries where they have managed to find efficiencies.

You look at the number of full-time equivalent employees that they now employ. Last year Education employed 649 full-time equivalents; this year it's going to be 648. They managed to find one full-time equivalent savings. Congratulations to the Education minister.

**3:30**

Let me also shout out – I should have done this one first because it's bigger. I should have done a shout-out to Service Alberta: last year 1,372 full-time equivalents, this year 1,370. They found two full-time equivalent positions in savings. This in living colour is what the savings are from the results-based budgeting process.

Now, let me tell you what I had anticipated seeing some of the savings being, because we were told that the new energy regulator was going to result in all of these efficiencies. I suppose by relation we had been told that we were going to as well see some efficiencies in how environmental regulations were implemented, a one-window approach making it easier. So I guess I anticipated that by bringing departments together, creating one window, you'd actually need fewer people to be able to push all that paperwork around. Silly me. It's not turned out to be that way. In ESRD we're actually seeing an increase of 206 full-time equivalent staff. They're now up to 2,640. And in the Alberta Energy Regulator they are up 101 full-time equivalent staff, to 2,076.

Mr. Speaker, when I see results like that, I have to tell you that I would call that non results-based budgeting because I would anticipate seeing something a little bit more in evidence that they're actually making some progress, and we're not seeing it.

I have to say that the other issue that has us quite concerned is that we see a budget come down on Thursday and then here we are on Tuesday already seeing other auxiliary announcements

being made, that weren't mentioned in the budget. The LRT is what I'm referring to. If it was so important – and it is important to make sure that we have appropriate funding for our municipalities; that's why we put our 10-10 plan for municipal funding forward – then why is it that two business days after the budget came out, there's a slapdash press conference put together to announce some other way in which to be able to fund a priority that should have actually been in the budget?

How can anyone have any confidence that what we're seeing in the budget today is actually what we're going to see next week or next month or two months from now? It's happened in the last couple of years that what comes forward in the budget gets completely thrown out the window with the mid-year announcements that end up getting made. It's just a bit surprising to me that this one occurred within two business days of the budget being released.

Let's talk a bit about capital because this is an important area. This is why we put forward our 10-year, \$50 billion, debt-free capital plan. An essential part of it is our 10-10 community infrastructure transfer, which would give long-term, sustainable, predictable funding to our municipalities that would increase with the increase in provincial tax revenues. We're already consulting with municipalities and hoping to hear back from them on what they think about the plan, but so far they're saying that that's exactly what they've been asking for from this government, and we wish the government would take note and do something similar.

The second part of it is – and I hear this everywhere I go – the need for a public prioritized project list. We know that the dollars flowing through to our municipalities are only one part of the overall picture of how much money needs to be invested in capital infrastructure. But I can tell you that there are so many projects where municipalities are left wondering whether or not they're going to have the resources they need to be able to fund them, not only because they're missing out on the long-term sustainable funding from the MSI funding but also because they're uncertain about what kind of capital grants are available to them.

In my own riding, in Okotoks, they have approved a pipeline project from Calgary to Okotoks to be able to fund their water needs. I think Okotoks is the only municipality in Alberta that does not have water allocation to be able to expand with their growth in residents. Okotoks is the only municipality where they're expected to go and buy their water licence off an oil company or an irrigation district or some other industrial development to be able to have enough water to ensure that their residents can continue using it. Their solution is to build a pipeline from Calgary to Okotoks, but there's uncertainty around the water for life program.

The water for life program would have been 90 per cent funded by the provincial government, 10 per cent funded by the municipality. We're hearing from some municipalities that they've received letters that they're no longer going to be funded to the 90 per cent amount, that it's going to be cut back. I have to say that for a community like Okotoks, it's unclear how they're going to be able to access those dollars to be able to build that project. If we had a 10-year public prioritized project list, then they would actually be able to know whether it was going to be three years from now, six years from now, or nine years from now. Right now they're kept in the dark.

I was just in Fort Saskatchewan last night. There's going to be \$20 billion worth of growth in the Industrial Heartland region. They have a particularly difficult interchange at highway 15. If you start going out at 3 o'clock in the afternoon to do your commute, you won't get home until 6:30. The North West upgrader is

going to bring 3,000 more employees into this area. And what's the government's proposal? They want to put in a couple of traffic circles or maybe some stoplights, but it isn't even in this three-year plan. This is a community that's been waiting for it for seven years. It's not in the three-year plan. When are they going to get it? Is it going to be six years from now, nine years from now? Nobody really knows. But if you actually had a 10-year prioritized project list and you had objective criteria for determining what interchanges would be a high priority and which ones could be moved further down the list, at least they would know. At least they would be able to have certainty.

My colleague from Chestermere-Rocky View has already pointed out that with the promise for 50 new schools and 70 modernizations the numbers don't add up in the budget. It looks like we're short at least \$800 million. The government admitted to that yesterday, that they don't quite know how they're going to fund all of these schools that they announced even though they're trying to pretend that they're going to have them all in place by the time we go into the next election. Well, we know that that's not true.

I've already mentioned that the LRT wasn't in the plan.

I met as well with the University of Alberta today, talking about some of the difficulties that they have with the capital funding. They called it lumpy, that it comes in one big lump, and the problem is that you don't know when it's your turn to get the lump and when it's the other universities' turns to get theirs. If we actually had a 10-year prioritized project list, we would actually be able to tell our universities like the University of Alberta and others about when their capital projects were going to come up.

Then, of course, there's flood mitigation. That was one thing that I was pleased to see in the government plan, that they've set some money aside for flood mitigation. I know that in High River they're looking at a dollar figure of somewhere around \$350 million to be able to get the projects that they need built to protect our community. I think there's about \$700 million unallocated. I'll be watching to see how that does get allocated, because I know that other communities are going to also have those needs.

But, again, it's not just the communities that were hit this time that need flood mitigation measures. There were 66 communities identified in George Groeneveld's 2005 flood report, and the question is: when are they going to be on the list? I'm delighted that my community and Calgary are high up on the priority list because of the tragic floods of last year, but let's not forget that this is not going to be just a one-time investment. We need to know what the long-term plan is, and unfortunately, because the government continues to refuse to have a long-term public prioritized list, we still don't have the answers to those questions.

More generally, Mr. Speaker, I have to say that I believe that a culture change starts at the top. I have talked to countless front-line public-sector workers working their hearts out who are absolutely demoralized by the environment that they're working in: corrections officers on stress leave, nurses taking sick days, others who come to work counting up the days in which they can qualify to be able to take early pension. That's a horrible environment to work in. I think the government owes it to our front-line staff to start doing some of the right things so that they can get confidence back that they're valued on the front line.

I have to say that when you see the Premier pretending that she doesn't know that she shouldn't use the government plane for personal vacations, pretending that she doesn't know, and the cabinet as well pretending that they don't know that you shouldn't use the government plane to go to government fundraisers, having an expensive \$45,000 trip that should have been essentially for free and then refusing to pay it back: all of these kinds of things

demonstrate that we have a political leadership team that doesn't think they have to walk their talk. It filters down through the senior ranks of their own political offices, it filters down the senior ranks of the public administration, and it demoralizes our front-line public-sector unions.

I would point out – and I have before – that of our 22,000 public-sector union employees from AUPE only 88 of them were on the sunshine list. I would also point out that of our 22,000 AUPE front-line workers, 3,800 of them earn less than \$45,000 in a single year. When they see government making decisions to pay their senior political staff well in excess of the disclosure limit on the sunshine list, when they see the Premier taking a single five-day trip that cost in excess of what they earn in a year, you can just imagine the kind of environment that creates for those who are doing the work every single day to support the services that matter to Albertans.

3:40

I'm hoping, even though we don't see any evidence in this budget, that the Premier and the cabinet take these concerns seriously and start making the kind of small changes that will ultimately end up in paying big dividends not only for our front-line workers by creating a culture and an environment in which they're delighted and joyful to come to work on any given day but also one in which we could actually get to a full, real consolidated surplus that we can maintain so that we can start building surpluses and savings to not only take care of the needs of this generation but to also take care of the needs of future generations.

I have no intention to support this budget, Mr. Speaker. I think that it's an absolute missed opportunity for the government to have done the right thing. Unfortunately, it seems like when the right opportunity presents itself, the government always take another path.

Thank you, Mr. Speaker.

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

Section 29(2)(a) is available. Does anyone wish to take advantage of 29(2)(a)?

If not, we'll move on to the next main speaker. That's the leader of the Liberal opposition.

**Dr. Sherman:** Thank you, Mr. Speaker. On behalf of all Albertans and the Alberta Liberal caucus I'm pleased to respond to Budget 2014. Our economy is great. We have amongst the best employment rates in the country next to Saskatchewan, amongst the highest incomes. Our population is growing. We're up to 4 million people. The price of oil and natural gas is very, very good. We have amongst the hardest workers in the country if not the world. These are economic circumstances that anybody would like to be in a position to govern. This is as good as it gets. So my question is: why are we going into debt? We've had six successive deficit budget years, so last year what did the government do? They just changed the definition of balanced and changed how they budget.

Mr. Speaker, Alberta deserves not only a strong economy; we also deserve a strong society. You know, the Alberta Liberals called the budget before the election the fudge-it budget. The government got all excited and thought oil was going to keep going up and up. They overestimated revenues. The day after the election they brought in Budget 2013. We called that the bankrupt budget. That's when the government got all depressed and used an extremely low price on energy resource dollars as an excuse to break their promises and to attack the very programs and the very people that actually helped build a good economy, a strong

economy, and a strong society. This budget we call the over-under budget – so fudge-it budget, bankrupt budget, over-under budget – because regular, hard-working, everyday Albertans continue to be overtaxed and underserved.

I want to talk about being overtaxed. Mr. Speaker, we did some research. Alberta used to have a progressive income tax under Premier Lougheed. It was 44 per cent of the federal tax brackets. When Alberta went to a flat tax, taxes on lower income and middle-income Albertans actually went up, from 7.048 per cent to 10 per cent, and taxes on the wealthiest actually went down. Alberta Liberals recognize it's important for regular working families to have money in their pocket to spend on their house, on their bills, their car, to feed and clothe their children, to look after their parents, and to maybe have a little bit of fun on the side, eat out once in a while and go on a trip once in a while.

Now, there are other taxes on families. School fees. That's a tax, Mr. Speaker. School fees for working families. If you have kids in school, you're paying up to \$530 a year on school fees. The busing fees are taxes. Having amongst the highest tuition fees in the country and noninstructional fees: this is a form of a tax. The provincial government, the Conservative government, has downloaded responsibilities to the municipalities, especially urban municipalities who've had to raise their property taxes. That's also a tax which is hurting families and businesses.

Mr. Speaker, not only are Albertans being overtaxed; they're also being underserved. Let's have a look. Right now Alberta has, as the output of this government, one of the highest high school dropout rates in the country, class sizes that are beyond imaginable. We don't have the teachers and we don't have the support for the teachers that we need to build a better Alberta, to build a better future for our society. The government did one of the biggest cutbacks in history, at least in modern-day history, in postsecondary education last year. They still have not reversed those cutbacks.

Our seniors continue to be nickel-and-dimed. In fact, the government has gone so far as to cut seniors' programs in here, that our seniors rely on. Mr. Speaker, why is it that in the wealthiest place in the country we have the lowest postsecondary participation rate? It's hurting individuals, individual families, communities, and it's actually hurting industry. It's hurting our economy because the education system, that this government severely underfunds from early childhood to kindergarten and from kindergarten to grade 12 to postsecondary, is underfunded, and it's not performing as it possibly could.

We just met with school board trustees, public and Catholic, in Edmonton. There is a lot of deferred maintenance, Mr. Speaker, built up over the years. Our schools in the Edmonton Catholic school system alone: a quarter of a billion dollars' worth of deferred maintenance. If you don't maintain your schools, they're going to get broken down and moldy. You've got to fix the roof.

Our schools already don't have the teachers that they need. We have 40,000 more kids in the school system today than a few years ago, yet we didn't get the teachers and the support they need.

Mr. Speaker, not only are Albertans not getting the services they need; the province is actually going into debt. My question is: where is our money going? Where is our money going? The Alberta Liberal budget would focus around three principles: one, fiscal prudence; two, social responsibility; and three, environmental responsibility. These are things that we are not seeing in this budget, and they are missing. These are essential elements for our economy moving forward.

You know, Mr. Speaker, I think that with the current Conservative government, basically, their budget is to spend today and pay tomorrow. What they call spending we call investing in education.

We believe there's a simpler way to do this, and this is how you do it.

One, on the stronger economy side, first the government has to stop wasteful spending. There are many examples of wasteful spending. In fact, I'm going to give credit to the Wildrose here. They've done a good job of identifying at least half a billion dollars' worth of government waste. In fact, I believe all of us legislators here can agree on that. That has to be cut. [some applause] Mr. Speaker, you've got to give credit where credit is due. You do.

I don't think anybody could disagree with the fact that the Premier and cabinet should not be flying around on \$45,000 flights and hiring more scribblers and more people for entertainment in the Premier's office. Hosting expenses: gosh, \$400,000 more for champagne and caviar and foie gras in the Premier's office alone.

What this budget doesn't address is prudent fiscal management. The Premier talks about results-based budgeting. Let's talk about results-based budgeting. Health care spending: we spend amongst the most in the country on health care, yet the results that they're posting on the website – they took the results down. They took the numbers down. In fact, you were the Minister of Health who put them all up, Mr. Speaker, because you knew we needed to show the results to the public. In fact, we did that together, and I thank you very much for that. The government took those results down and watered down the benchmarks and moved the goalposts. Eighteen billion dollars' worth of spending each and every year: if you can't manage health care, you can't govern. It is the number one spending issue for every provincial government in this country.

3:50

Mr. Speaker, health care spending is up from \$11.9 billion in 2007 to now more than \$18 billion. Jeez, that's more than a 45 per cent increase. The population has gone up maybe 17 per cent. Health spending to Alberta Health Services alone is up 62 per cent from 2007 while the population is up maybe 15, 17 per cent. Why are we not getting the performance and access to care? The key here is access.

The reason I talk about health care is because as a physician, as somebody who was the associate minister of health care, the parliamentary assistant, as somebody who believes in fiscal responsibility, we deserve to get better health care and better access to health care for the amount of money we're spending. In fact, I believe that we can probably get better access to better health care for a billion dollars less.

I'd like to see the results-based budgeting of the health care system, \$18 billion. Let's open up the books. We have seen many examples of waste and mismanagement in health care: managers managing managers managing managers. Heck, the government keeps firing its own managers every, you know, four weeks to four months.

Mr. Speaker, we talked about cutting wasteful spending, maybe half a billion dollars. Better management of health care: that's about \$1.5 billion.

Now, there are ways to increase our revenues as well. Here's how you increase the revenues: if we actually brought in world best practices on the environment and put a real price on carbon. [interjections] Hon. members from the Conservative caucus, please pay attention. If we actually removed the criticisms of our energy industry, the environmental barriers that this government has put in place, where our credibility has been put at stake, brought in world best practices on the environment, and put a real price on carbon – a real price on carbon would be a consumption



tax paid by the tailpipes where our product goes: eastern Canadians, our American partners, the Europeans, the Chinese, or India, wherever our product goes. A real price on carbon would bring \$1.8 billion a year into Alberta. If we actually dealt with environmental issues, we could get our pipelines to tidewater, and we would get the world/international price for our product. That's one way to increase our revenue.

Another way to increase our revenue: if we went to a progressive income tax, which would be a tax cut for the majority of Albertans. Yeah, the billionaires and the multimillionaires will pay their share, and, yeah, some of these MLAs are going to pay a little bit more. Mr. Speaker, you don't get rich without a good public education system and public health system and public roads and public infrastructure and hundreds or thousands of hard-working people earning 50, 60 grand a year who have children that need to be educated. People like Warren Buffett understand that. If we actually brought in a progressive income tax, we could bring in, you know, \$750 million to 1 and a half billion dollars a year. So \$1.8 billion on our carbon tax, \$750 million to \$1.5 billion on a progressive income tax. You know, I don't think we need to touch taxes too much, but just tax in fairness.

Also, Mr. Speaker, the royalty holidays are expiring. We're going to go from 1 per cent to 25 per cent royalties on all these plants. There's a lot of revenue. We have a lot of money; it's just been mismanaged, wasted and mismanaged. The Alberta Liberal plan would invest in nonprofit, community-based home care and long-term care and a seniors' drug program. We'd get people out of hospital so that the most expensive thing on the books, the health system, can actually function. Getting the seniors out will save a quarter of a billion dollars alone and reduce the lines, which will save more money.

Investing. We would take that billion dollars and invest a third of it in our seniors and our community support system for the disabled and seniors so that they don't have to come to the hospital. If they're in, we get them out. We invest a third of that into getting Albertans family doctors and invest in primary care networks and integrate those into the health system. Fragmenting primary care into family care clinics and PCNs, with everyone doing different things, is actually going to hurt patients. You need one mechanic to look after your body, and that mechanic needs a team. That mechanic is your family doctor, supported by nurse practitioners, the whole health team. We would take a third of that money and get caught up on all the lineups, the wait-lists for hip, knee, and cardiac surgeries.

Alberta Liberals would make the largest investment in history, investment into education from early childhood to K to 12 to postsecondary. We would bring in schools as community hubs. If our schools are built as community hubs, we know it will save money in other areas: health care, children and youth services, and other support systems. If we co-locate the facilities in our school system, it will save money, and we will have a better society, prepared for a better economy.

Mr. Speaker, you know, I could go on and on and on. With the Liberal plan we can actually balance the budget and get Albertans the services that they need and save for the future. This is a plan that Premier Lougheed had. It was about investing in our children, investing in the future. This is the kind of Alberta we would like to build. In fact, I believe we can build even a better Alberta.

Thank you, Mr. Speaker.

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

Section 29(2)(a) is available. Calgary-Mountain View under 29(2)(a).

**Dr. Swann:** Thanks, Mr. Speaker. I appreciate the comments of the leader and would ask him to expand on what the Liberal vision is for prevention and community health promotion.

**Dr. Sherman:** Thank you, hon. Member for Calgary-Mountain View. Mr. Speaker, prevention is the key. They say that an ounce of prevention is worth a pound of cure. In our instance, you know, a couple of hundred million dollars' worth of prevention would probably save a billion dollars on the other side of the budget.

Now, let's talk about prevention. Prevention is not just in health care. If we actually invest, say, in the health care system, the preventative side of the health system, all international evidence points to the fact that we will save money on the other side of the system, that's costing us a lot of money. We would save money immediately, and in the medium and long term we would save a lot of money, and more importantly we would improve the lives of people.

Let's talk about the children and youth services system. The government spends a lot of money on the problem side of the system, but if they actually invested upstream, into preventing the problem, we would improve the lives of children and families and have fewer children in care. For those that are in care, they would get the best, world-class care.

Mr. Speaker, poverty leads to poor health, and poor health leads to poverty. We have 90,000 children living in poverty today, right now, in Alberta. Poor kids come from poor families. This is why Alberta Liberals want to cut the taxes of middle-income and lower middle-income working families. We want to get free high-quality, world-class child care for all Albertans. You know, many of them are low-income single mothers, and many of them are new immigrants.

We must invest in child care. We've got to make sure we invest in Head Start and Early Head Start programs, full-day kindergarten, especially in the high-risk areas. If we invest in infant nutrition, prenatal and postnatal programs, and get young mothers parenting coaches and ensure that that mother has a chance to finish her education and get a skill, get a trade, and the child gets looked after, Mr. Speaker, imagine how wonderful this place would be. It's pretty good already, but imagine how great it could be.

[The Deputy Speaker in the chair]

Let's talk about prevention in the criminal justice system. If we actually invested in mental health and addictions, we would reduce costs in the criminal justice system. If we invested in policy that reduced poverty, we would reduce homelessness and mental health and addictions.

Mr. Speaker, here is the problem: 42 years. You know, I believe the first 16 years were probably pretty good. The first 14, 16 years were actually really good under Premier Lougheed. But in the last few years this has been a very reactionary government that has put very expensive Band-Aids on the problems. Now they're falling off, and that's why many in our society are not participating in the prosperity of this great province.

4:00

Mr. Speaker, Alberta Liberals want to make sure that this province will be great once again: our credibility on the environment across the country; the morale of the health staff, of the doctors and the nurses and the support staff and the cleaning staff; our patients get the care that they deserve; our children get the education that they deserve. We have the best and brightest moving here because they want to get a world-class university education. In fact, we retain the best and brightest. They stay here.

Mr. Speaker, it's time to build a strong economy and a strong society that's premised on fiscal prudence, social responsibility, and environmental responsibility. We should be balancing the social books and the fiscal books and putting money in the bank.

Thank you, hon. member.

**The Deputy Speaker:** Are there others?

Seeing none, I'll recognize the next speaker. The hon. Member for Airdrie.

**Mr. Anderson:** Thank you, Mr. Speaker. I'm thankful for the opportunity to speak to Budget 2014. I'm going to make sure that I start the stopwatch here so I know where I am. Obviously, one of the first things that sticks out about Budget 2014 is the record revenue that we are making as a province. This, of course, is good news, absolutely good news. It certainly has very little to do with this government. It has to do with the entrepreneurs of Alberta. It has to do with some great blessings that we've had and luck that we've had as a province to have such a wonderful amount of natural resources, and that's always a good thing.

We do have a record revenue stream right now. That is why people are really baffled by this budget. The budget obviously was called the building Alberta budget by the folks opposite, but it should be called the doubling down on debt budget. It is an irresponsible document, it is a dangerous document, and it is a document that, I believe, Albertans are going to have to look at in the next election and decide what path they want to go down because we're at a crossroads here as a province. We should have had this discussion in general election 2012. Sadly, because of, frankly, some dishonesty by the other side, we did not have that discussion, which was unfortunate.

**The Deputy Speaker:** Hon. member, if I may, I'd just caution you on your choice of words.

**Mr. Anderson:** Yeah. I understand that, Mr. Speaker. I was not accusing any member of the House. I just said dishonesty by the campaign opposite, and it's within my rights to do so.

With regard to making sense of the Alberta budget and breaking it down, yes, there is an operational surplus of \$2.6 billion. Not much worth celebrating there. Premiers Klein and Stelmach had operating surpluses every year except for 2010-11 where they had a very small \$50 million operational deficit. The current Premier in her first two budgets has had large operational deficits despite having the three best revenue years taken together in the entire history of the province.

The second piece is that the government is claiming a consolidated surplus of \$1.1 billion. How that works is – we have a chart on our online website that I hope everyone will go to. We posted on Twitter, Facebook, et cetera. It's a document that breaks down the budget so people can take a look at how the PCs get their \$1.1 billion surplus. Essentially what they do is include, obviously, their operational spending, they include all the revenues, and they include what are called capital grants: MSI, grants for roads, grants to communities for different roads and different projects where the money is given to community. Grants, essentially. Those grants in 2013 totalled about \$2.4 billion, so the government claims that's a \$1.1 billion surplus.

What it does not include is \$4.2 billion in what's called capital investment. Those are provincial roads, provincial bridges, health facilities, schools, postsecondary institutions, and so forth. That \$4.2 billion is not included in the consolidated budget number, and that's where their budget document is clearly misleading. If you include capital investment, not just capital grants like MSI but you include capital investment – the roads, the bridges, the

schools, the health facilities, et cetera – then the deficit is at least \$2.7 billion this year.

That is the true deficit number. Is that an improvement from last year's budget? It is. Thanks to the increased revenues, we do have a smaller consolidated deficit of \$2.7 billion. But it is absolutely untrue, misleading, and wrong to suggest that it is a \$1.1 billion surplus.

Mr. Speaker, the real crux of this budget, though, was a decision by the government to double down on the debt, and that's what I want to focus most of my time on today. I could point the minister to the Auditor General, to former Minister Ted Morton, and other recent former Finance ministers that have spoken out about this. We could talk about, you know, dozens and dozens of commentators from across the country that have said that this is folly.

We can even cite *The Economist* magazine, Mr. Speaker, but I'm not going to because I don't think this minister cares too much about that. He's going to find a few bankers and a CA buddy representing the Alberta chamber to back up his assertions, and he's going to . . .

**An Hon. Member:** Jim Flaherty.

**Mr. Anderson:** Yeah, Jim Flaherty. That's right.

He's going to say, "Well, because of that, we're doing the right thing," and I disagree. We're not doing the right thing, and I don't think that history is going to reflect kindly on this Finance minister or this government for these decisions.

There is one study I do want to point out, though, and it is interesting. It's from the Macdonald-Laurier Institute, and it was a 2012 study which, after cracking the different numbers and projections and forecasts, showed that Alberta faced the greatest risk among Canada's provinces of defaulting on its debt in 30 years and that Canada as a whole faced a eurozone-like debt crisis because of the high spending by provinces. The author, Mr. Marc Joffe, pointed to Ontario and Alberta as facing the greatest potential pitfalls for a default on our finances over the next 30 years.

Now, Mr. Joffe is a very well-respected economist. He is the principal consultant at Public Sector Credit Solutions in San Francisco; senior director at Moody's Analytics, where he worked for nine years; researched, co-authored Kroll Bond Rating Agency's 2011 U.S. municipal bond default study. He recently published the public sector credit framework for estimating government bond default probabilities. He has a BA and MBA from NYU and is completing his MPA at San Francisco State University. But I'm sure the minister's CA buddy knows more than Mr. Joffe does about these things.

These findings were also endorsed by Mr. Don Drummond, a senior economist, as people know, adviser to TD Bank, a Matthews fellow on global policy, and distinguished visiting scholar at the School of Policy Studies at Queens University.

These are senior people, senior economists, experts in the field that say that Alberta is in severe danger of defaulting on our debt obligations moving forward into the future, not in the short term but in the long term.

Incidentally, who else sits on the board of the Macdonald-Laurier Institute, which commissioned this report? Well, it's none other than the hon. former Finance minister, Jim Dinning. Boy, we sure have come a long way from the days of Jim Dinning and not in a good way.

Budget 2014 adds over \$5 billion in debt this year and brings Alberta's total debt to over \$21 billion by 2016. The Finance minister, of course, has compared debt financing for infrastructure

to a home mortgage. This is an absolutely ridiculous comparison. A home mortgage is secured by an appreciating asset: the home. Because of the down payment made on the home, that home is almost always worth more than the amount of the loan. Almost always. I mean, there are exceptions. But in Alberta, in particular, there are really no exceptions. It's almost always worth more than the amount of the loan. And it's easy to sell. It's easy to sell on the market, get a real estate agent, sell it yourself. You can sell your home and get back that money, pay off your owing amount.

In contrast, government assets depreciate in value, are very expensive to keep up, they are worth less than they cost to build the moment they open or start. The very moment, immediately they're worth less than what it cost to build, and they are difficult to sell even if you would want to sell a school or a hospital or a road. Even if you wanted to, for some reason, sell those public infrastructure assets, it's difficult to do so. You certainly wouldn't do it very much. You would do it in very few instances.

#### 4:10

The minister also says that because interest rates are currently low, now is the time to borrow. Interest rates are low, Mr. Speaker, for now. But these debts that are on the books will need to be refinanced. We're refinancing almost a billion dollars in debt just this year alone. But these debts, because they need to be refinanced – as our debt load increases, so will the available interest rate. As our debt goes up, as the senior economists with this Macdonald-Laurier Institute have said, what will happen is that the price of borrowing will go up for Alberta. It will keep going up and up and up and up. As that happens, of course, we will have new and increased annual interest charges that we'll have to deal with. So the \$800 million today is going to increase to \$1.2 billion, by the government's own numbers, in interest charges by 2016, and then it just keeps going up from there if the borrowing continues.

It's amazing to me that we seem to have forgotten the consequences of sustained debt financing in Europe, in the United States, in Ontario. How could we not see those lessons? How could we go down that path? Have we lost our minds to think that we, somehow, need to follow in the footsteps of Ontario, of Quebec, of the United States, of Europe? That was a good idea? We should be doing what they're doing? Unbelievable.

When these realities manifest themselves, when Alberta doesn't enjoy record revenues anymore, when we can't count on billions upon billions of new revenues every single year because of the oil sands and the price of oil and so forth, guess who's going to be holding the bag? Them? No, Mr. Speaker. They won't. They'll be long gone, hopefully most of them in two years. But if they're not, guess what? It's going to be our kids and our grandkids that are going to be the ones holding the bag for their stupidity, and that is wrong, that absolute irresponsibility of putting our children into debt like this. It's wrong, and I challenge everyone over there that still believes in leaving our kids with a debt-free Alberta to stand up and vote against this budget. I know there are people over there – certainly not the Member for Edmonton-Gold Bar, but there are certainly a lot of people, I would assume, over there that don't think going \$21 billion into debt by 2016 is a responsible thing to do. Please stand up and be accounted for.

The minister states that folks moving to Alberta aren't bringing their roads and schools with them and that we must borrow, therefore, in order to build. Think about this logic. Let's play this through. First off, new Albertans, of course, don't bring their roads with them, but they bring their taxes. They bring their economic output. They are not a drain on the bottom line. They are good for the bottom line. What study out there shows that new

Albertans, new people moving in – and we're not talking about people that are coming who are leeching off the system. These are some of the best and brightest minds in the country and the world coming here, working high-paying jobs, paying high amounts of taxes. We're not being hurt by this. We're being blessed by this. Our revenues are increasing. That's why we have record revenues, one of the reasons we have record revenues. So that is a faulty excuse.

Secondly, if we must borrow for projects now to cope with high growth, what's going to change in the future so we no longer have to borrow? Forecasts predict high population growth for decades. Those folks will all need schools and they will all need roads and they will all need hospitals. So if we can't build today without going into debt, even with record revenues, when are we ever going to be able to? When the rate of economic growth slows? When people stop moving here? Well, that doesn't make much sense. When people stop moving here, that usually means it's because you're having an economic contraction and you're having a revenue problem. And then what do we do to pay the bills, to pay the high interest costs that we've incurred during the high-growth times? It makes no sense.

And they say: "Oh, well, we'll cap it at about \$30 billion. That's what the legislation allows for. We have a debt ceiling, so we won't go past that." Baloney. We all know debt ceilings don't work. They don't work in the United States. They're not going to work here. They didn't work in any other province. Of course, we're going to go more into debt. As soon as we get to the level, we'll just raise the debt ceiling. We're going to be mortgaging our kids more and more every year during high-growth, during high-revenue times. Then when the economic growth slows, our kids are holding the bag.

Mr. Speaker, I don't claim to be any kind of an expert economist or anything like that, but I am a father, and I'm a father of four. I have a great father, and he taught me some basic things in life. He said: son, you have to live within your means. He taught me about the power of compound interest and the power of staying out of debt and how important it is to do all of those things. These are basic, basic principles.

Importantly, he also taught me to leave my children with more opportunities than I had. I think we all try to do that, but as a province we are not doing that right now. We have lost our way. We are going to leave our kids – we had the chance to leave them a mountain of investment capital that could be invested for literally decades and decades to replace our reliance on oil and gas revenues. Not only are we not leaving them with any of that; we're leaving them with a hole. We're leaving them in the hole, in debt to pay for the things that this government wants to give for political purposes. That is wrong, Mr. Speaker.

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

Standing Order 29(2)(a) is available.

Seeing none, I'll recognize the next speaker. The hon. Member for . . .

**Mr. Hale:** On 29(2)(a)?

**The Deputy Speaker:** I think you were a little slow there, hon. member.

I'll recognize the next speaker. Is there another speaker?

Seeing none, the hon. Deputy Government House Leader.

**Mr. Denis:** Thank you very much, Mr. Speaker. I'd move to adjourn debate on the budget replies.

[Motion to adjourn debate carried]

**Government Bills and Orders**  
**Second Reading**  
*(continued)*

**Bill 4**  
**Estate Administration Act**

[Adjourned debate March 10: Ms Kubinec]

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

**Mr. Saskiw:** Thank you, Mr. Speaker. It is my pleasure today to rise to speak to Bill 4, the Estate Administration Act. Bill 4 essentially modernizes some of our estate law as well as codifies some of the principles that exist in our common law and the decisions that were made by courts. Bill 4 intends to define the roles and responsibilities of personal representatives when they execute the final affairs of a deceased person. According to the preamble and some of the briefings the purpose of Bill 4 is to make the rules of an executor clear and easily accessible for those charged with this important task.

What's also included in the bill, of course, is an elevated responsibility for executors who have certain skills and abilities. If a layperson is executing the act, they have the normal due diligence requirements, but if, for example, you're an accountant or a lawyer, you would be charged with that higher level of care or, essentially, a higher fiduciary duty.

Mr. Speaker, along with those good faith and due diligence requirements the duties, under Bill 4, of the personal representatives would be

- (a) to identify the estate assets and liabilities,
- (b) to administer and manage the estate,
- (c) to satisfy the debts and obligations of the estate, and
- (d) to distribute and account for the administration of the estate.

There is also some delineation of the specific notice requirements that executors must go through when they're going through the list of the beneficiaries.

I have had the opportunity to do some stakeholder outreach with some of the best estate lawyers in the province, and the individuals that I've talked to haven't indicated any types of red flags. They were quite pleased with the vast majority of the changes to the act.

There is one issue that they mentioned, though. The legislation deals with foreign grants from the United Kingdom, but there doesn't appear to be a provision with respect to grants from the United States. So it would be interesting to see whether or not the government has contemplated that or whether or not that could be one of the issues to debate in the Committee of the Whole.

Mr. Speaker, at this stage of second reading I fully support the intent of the legislation and will look forward to debating the details in Committee of the Whole. Thank you.

**The Deputy Speaker:** Hon. member, did you move to adjourn debate?

**Mr. Saskiw:** Yes. I move to adjourn debate.

[Motion to adjourn debate carried]

**4:20**                    **Government Bills and Orders**  
**Committee of the Whole**

[Mr. Rogers in the chair]

**Bill 1**  
**Savings Management Act**

**The Chair:** Are there comments or questions? The hon. Member for Edmonton-Calder.

**Mr. Eggen:** Well, thank you, Mr. Chair. This is actually the first opportunity I've had to make some comments in regard to Bill 1, and the particular area of interest that I would like to speak about today is something that I didn't really believe this government was inserting into the fabric of Bill 1. But upon hearing some questions about it last week, lo and behold, it seems to be true. The issue that I'm speaking of is social impact bonds. This is an issue that I've been looking at more closely as they have been unrolled in other jurisdictions around the world, including the United Kingdom. I guess I just have some serious concerns and questions about them that I wanted to raise here now and perhaps, you know, in the Committee of the Whole. This is a great chance to actually get that clarification and put people's minds at ease or, conversely, take this experiment out.

My concerns are these, right? The social impact bonds have been used in other jurisdictions around the world, Mr. Chair, as a way to privatize vital, essential services and squeeze out the public sector, another way, in other words, to abdicate the responsibility of a government to provide essential public services. Rather, they commodify and monetize those services and sell them as a bond. While that almost might seem bizarre to the casual observer, indeed, as I said before, there seemed to be some noise about that from the government here when we asked some questions about Bill 1 last week.

You know, Mr. Chair, the government cuts education and social services in this province and then, still spending money from the heritage fund, allows the private sector somehow to do the government's job. I mean, it almost sounds diabolical, really. How could you come up with such a combination of taking savings and then have the audacity to create a bond issue that would somehow have another party do the job that the government is responsible for, right? That's why I'm bringing it up here. Hopefully, maybe I'm not right about this. I don't know. This bill does not introduce these bonds themselves, but it does transfer the money and establish the accounts that could be used to guarantee or pay these things out if the government chose to do so.

It also brings in the Alberta future fund, I understand, Mr. Chair, which will take \$200 million a year from the heritage fund and put it aside for, quote, something cool, according to the Deputy Premier, that's meant to provide long-term benefits to Albertans and the economy. Again, really, if I wasn't reading it in the paper and I didn't hear it myself, I would say: what on earth is this? Lots of people have been speculating that maybe it's another way to create a slush fund or a pre-election goodie sort of thing where, because the principal doesn't have to be voted on, they can just make the vote or pass that money through. I don't know. You know, I'm trying not to be cynical here, just constructively critical. According to Bill 1, again, there are additional funds for heritage scholarships, agriculture, and food innovation as well.

Mr. Chair, I believe this is an indication both that this government is not providing the budget properly nor maintaining adequately the services for which they are responsible as well. It also is, I think, quite a murky sort of budgeting. We have seen in the past years these different funds, right? Indeed, it helps to sort of confuse or obfuscate the accounting methods by which these different funds and budgets actually come together to create a balance sheet. We see the money moving around here and there

between different funds, and somehow in the midst of all of this the essential public services are underfunded.

In regard to these social impact bonds, again, they're very similar to P3s, private-public partnerships, which are on very shaky ground at best. To try to do them in terms of providing social services I find even less believable, quite frankly. It's a profit-driven, government-funded business deal, right? It's less about service delivery or meeting the needs of Albertans. It's more a way by which to repackage essential social services into an investment scheme as if they're investing in a mineral or an oil well or a forestry project or something like that.

Say, for example, you know, we take the word on debt to wealthy investors without it showing up in the balance sheets as debt – right? – to somehow innovate social services, which suggests as well, Mr. Chair, that we need the private sector to tell us what innovation means for social services, when in reality it is social services that have been innovating, really, year after year, delivering more with less as the PCs cut their bottom line.

The truth of social impact bonds is that they pick the low-hanging fruit, they offer no real innovation, and they'll only invest in projects where the risks are largely removed. The whole thing doesn't add up to a very good investment for the public and for ourselves but maybe, if it's packaged properly, for people who choose to put money into these things.

Mr. Chair, last year, for example, the state Legislature of Hawaii ruled out social impact bonds for the delivery of education programs. Their report noted that the social impact bonds are very unproven and very risky and that existing philanthropic organizations are already doing a good job of innovation, as is the public service that's actually there as a government department.

It's not just not delivering innovation. There are many other issues, too, right? I believe, Mr. Chair, it opens the nonprofit program delivery of organizations to a great deal of administrative and transactional costs. Already we've seen this PC government make it difficult for nonprofits by providing short-term grants on this three-month rotation or four-month rotation. It drives up the time and the costs to agencies in applying for grants and reduces their ability to pay for and plan for long-term, stable service.

Now it's as though we're introducing several other layers of bureaucracy and middle management to already overburdened social service and delivery organizations. It's now these organizations that have to go back out and act like salespeople and investment bankers in order to attract investors. They must hire legal counsel and financial advisers. It's just that the whole thing seems to be redundant and reductive as well.

We can go to other places where these are being tried, right? In the United Kingdom they have the Peterborough prison project, which found that the process was time consuming, analytically complex, and a nonstarter, really. There were problems with regulation, accreditation of service providers. Agencies already have difficulties with this. What kind of oversight, really, could we be providing for them here?

Social service delivery should be better regulated, for sure, Mr. Chair, not less. The government is attempting to transfer responsibility away from itself to these nonprofits.

**4:30**

Social impact bonds put the agencies in the indefensible position of having to serve the interests of the investors over those of their clients that they're trying to help or over those long-term goals of finding true, systemic solutions to social problems, right? The more difficult and, hence, costlier and riskier programs could very well go unfunded or be underfunded, and this means that

many of the most vulnerable Albertans who require a great deal more service and care will in fact be at greater risk.

This PC government is already having difficulties finding companies willing to bid on P3s. What would make them think that they would be able to encourage investment in even riskier and more complex processes with this idea of social impact bonds? In the state of Massachusetts, in the United States, two projects were announced in 2002, and nobody bid on them, these social impact bonds. Imagine that. They'll always end up costing the government more in the long run, right? It just seems like a nonstarter.

Governments are better placed to deliver programs, Mr. Chair, in cost-efficient ways because they have economies of scale and the ability to fund interconnected programs to address systemic issues. Aside from being ineffective and more costly, social impact bonds just really smell morally wrong. The government's failure to solve defined social problems turns into an investment opportunity that promises profit rewards to successfully innovative investors. I mean, I don't know. It just doesn't seem right.

The Alberta College of Social Workers passed a resolution explicitly opposing this type of legislation. They say that they allow financial institutions to turn human suffering and conditions into a commodity. Again, they also put a statement out saying that we don't need people to profit from the misery of others, that the motive becomes profit, not service, and that the primary responsibility of government is to support vulnerable and marginalized people.

So, Mr. Chair, while we might look at other aspects of this Bill 1 in terms of the savings and management, this one particular aspect of it, as I pretty clearly just said, I find unacceptable, and I just would like to hear someone say, you know, really, that Bill 1 is not a framework for social impact bonds so that we're not heading down this very perilous and experimental sort of road.

You don't just have to make change for the sake of change. Using the word "innovation" and then fishing around for something to appear to be radically changing direction is not necessarily good governance. If you end up fishing and you catch something like the social impact bond concept, then, you know, it just heads down a path that I don't think anybody really wants to go. It seems ideologically driven. It's reductive. It doesn't provide any sort of outcomes outside of some ideological idea that you can commodify and buy and sell everything, and it abdicates the responsibility that the provincial government has to essential social services, to fund and to deliver those services in a reasonable sort of way.

I mean, you know, convince me that it's otherwise, but the aspect of Bill 1 in regard to social impact bonds I don't think is acceptable at all. Thank you.

**The Chair:** Are there others? Other speakers? The hon. Member for Calgary-Mountain View.

**Dr. Swann:** Thank you very much, Mr. Chair. It's my first opportunity to speak to Bill 1, too. I'm intrigued by it, and I'm very pleased to add my concerns, questions, and interest. I have heard a little bit about this, the concept of social impact bonds, for several years now. I've spoken with groups like the Calgary Foundation. There are groups in Calgary like the YWCA and Vecova, formerly the vocational and rehabilitation institute, where they have some entrepreneurial activity within their walls. In the case of the YWCA they have a sports facility that charges downtown folks, the office towers, for their facility, and they use that money to improve the care of women in difficulty and their families. In the case of Vecova they have also some sports activities for the public, and they bring in income, which they can

also use to assist with some of their programs for people with disabilities.

Other examples are Women in Need Society in Calgary, that sells quite a few commodities and, for example, indicated that a new baler that they purchased could bring together a lot of the clothing and bale it if they weren't able to sell it. They could then, again with dollars, translate that to people in other provinces or other areas of the province, which saved them a lot of cost in terms of also serving the needs outside the city.

I don't have a closed mind to the social impact bonds. I think there are some opportunities if it's well managed. I also know a couple of people in Calgary who are involved in social entrepreneurship, and they have given me a deeper insight than I had initially about this also.

It does have real dangers, as previous speakers have indicated. I think all of us should be wary of a government that wants to download responsibility onto the private sector for what is primarily government responsibility; that is, caring for people in poverty, caring for people in disadvantaged situations, caring for seniors and for people with disabilities.

The other red flag that goes up for me is when they are prepared to take money from the heritage fund, which has always been seen as a long-term investment program to improve the opportunities for future generations when needed. The typical imagined scenario would be when oil runs out or people stop buying our oil as readily as they do and there are other technologies and we need to find through research and development and through marketing new opportunities for Albertans to be employed, to create new jobs, and diversify some of our energy mix, in particular. That's the typical scenario that I think Peter Lougheed envisioned for this fund. So I'm concerned that the government would be taking up to \$200 million out of the heritage fund ostensibly for good cause, and ostensibly it would come back, at least the capital, if not the interest, for the social innovation fund that they identify here.

The other two areas of investment that they talk about are the agriculture and food initiative, which would be a maximum of \$9 million each fiscal year – by the way, the social innovation fund would be a maximum of \$67,500,000 – and transfers to the Alberta future fund, which sounds very suspiciously like the sustainability fund, which could be a slush fund for a government that's in trouble, having another crisis and looking for ways to buy its way out of crisis or in an election in which they are struggling to appeal to Albertans. So there are dangers here.

I'm pleased to see that we're going to continue to some extent the scholarship fund and look forward to hearing more about some of the potential here for research and development, which has been so brutally mismanaged in the innovation fund and the decimation of the Alberta heritage for medical research fund. The insecurity and instability that that's created has sent a lot of our best researchers to other parts of the world and very much diminished our capacity to do good science, credible science, and groundbreaking science, that we've done here for at least 25 years under the original heritage fund process.

4:40

I still haven't decided how I'll vote on this bill, Mr. Chair. It's got some elements that are already in place when you look at some of the nonprofit societies in Calgary that I mentioned, but it also has a private enterprise dimension that I think raises flags. As a legislator I guess I would want to know very much more detail about how individual contracts are being identified in terms of social programs. I'm speaking now of the social innovation fund more than some of the others. It's reminiscent to me of the P3 concept, where in principle it may have some applications where it

benefits both the public and the private sector, but in practice it is almost universally benefiting the private sector. Because we don't do due diligence and we don't make the contracts public, we don't have the accountability and transparency that are needed with some of these P3 contracts.

I'm concerned, as others have been on this side of the House, that especially the social innovation fund is fraught with nepotism and cronyism and the potential for benefit to friends and connections and is not necessarily going to serve either the long-term interests of the individuals that are supposed to benefit from this but also not necessarily the interests of Albertans, who have in trust put these funds within the heritage savings trust fund and expect accountability, expect that we're going to see real return on these investments and not simply another way for a government that is in trouble financially to try another way of limiting their apparent liability on the books.

With those caveats I can see some opportunity for innovation, for strengthening the kind of activities that I've seen in the YWCA in Calgary, the Vecova institute, and Women in Need Society, who have benefited from some of these entrepreneurial projects that go on within their walls. It helps sustain some of their work. I am much more suspicious of the for-profit opportunities that might arise out of these social impact bonds, not only the ability to get return on investment from the public purse but also to ensure that this money that is leaving the heritage fund is not going to be lost as an investment resource for future generations.

With those remarks, Mr. Chairman, I'll take my seat.

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

Are there other speakers? The hon. Member for Edmonton-Calder.

**Mr. Eggen:** Yes. Thanks. I just wanted to thank you, Member for Calgary-Mountain View, for those comments. I wanted to just perhaps clarify the social impact bond, differentiating it from entrepreneurial innovation that nonprofit or other groups might use to provide social services or help to fund social services. I mean, very specifically, the social impact bond as it's been, you know, done in the last few places around the world – like I said, in New York City and the United Kingdom and so forth – is an investment where a private investor will fund a program or a project delivered by a nonprofit or a charitable agency. If that project meets the previous agreed upon measurable goals, then the government will pay the investors the full amount of their initial investment plus a 20 or 10 per cent return on their investment. If they don't meet that target, then they lose their money.

It's a very specific sort of scheme that's set up. It's almost like this *Dragons' Den* kind of scenario. It's very artificial because you're creating these parameters you could decide on yourself – right? – in terms of outcomes. Really, it's just like you're lending the money, so it's not even really a bond. To use the word “bond” – I think it's not entirely a true definition of a bond, right? It's this sort of convoluted contract that is developed.

For the YWCA or YMCA to be setting up these social or entrepreneurial things is great, but this sort of, you know, funny contractual scheme is a whole different thing altogether. You know, people are starting to line up already to put money aside to lobby, to buy these bonds. The Royal Bank of Canada has already put aside \$20 million to potentially invest in these once we set up the framework for it. People like Mark Hlady – he's been lobbying the government here for months to be a broker for social impact bonds in education, justice, human services, agriculture as well.

It's much more of a scheme than it is a way for people to get a leg up or an arm up or to learn about entrepreneurial opportunities. It's more like this sort of convoluted contract that somehow allows a private investor to get their hands on public money.

**The Chair:** Are there other speakers to the bill?

Seeing none, then I would ask the question.

[The clauses of Bill 1 agreed to]

[Title and preamble agreed to]

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

**Hon. Members:** Agreed.

**The Chair:** Opposed? That is carried.

### Bill 3 Securities Amendment Act, 2014

**The Chair:** Are there questions or comments to be offered on the bill?

Seeing none, are you ready for the question on Bill 3?

**Hon. Members:** Question.

[The clauses of Bill 3 agreed to]

[Title and preamble agreed to]

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

**Hon. Members:** Agreed.

**The Chair:** Opposed? That is carried.

### Bill 2 Appropriation (Supplementary Supply) Act, 2014

**The Chair:** Are there questions or comments to be offered? The hon. Member for Edmonton-Calder.

**Mr. Eggen:** Yes. Thank you, Mr. Chair. In regard to the supplementary supply act I just had a couple of comments to talk about.

First and foremost, there was a clear indication to our caucus that this supplementary supply was going to be mostly if not all flood related, but there are all kinds of things that pop out from it. As far as I can see, there are sort of two major themes that come out of this supplementary supply. First of all, clearly, this government does not think about the long-term impact of its cuts, right? They ignore inconvenient things like planning and prevention to give breaks, and then suddenly, you know, we have to go back and change it.

I think we've seen in the last couple of days here again this government not – the most important document and action that it is responsible for suddenly becomes a fluid and moving target, and that is the budget. They made some of these rash decisions, and then suddenly we have to scramble back and change over time. I mean, there's nothing wrong with trying to change, but why make such drastic decisions in the first place? So it's necessary to do this, but I'm just putting it forward, once again, that it shouldn't really be necessary if we had responsible decisions in the first place.

4:50

For example, say, the \$170 million for Education, \$70 million of which is operational, \$103 million for the capital due to the

project delays of 35 schools and modernizations. This government seems clearly more focused on announcements than actually resolving the problems in our overcrowded schools, right? We can't even finish the projects that we announced three years ago, from a different government, on time. If there was a long-term commitment to building these schools and not just this episodic, sort of spasmodic, you know, reaction to the obvious growth that's taking place in our population, particularly for school-age children, then we could probably do this. I mean, it's not easy, but it's a better position than the shrinking economy. We have a growing economy, a growing population. We wouldn't have to be putting kids in copy rooms and in hallways like we do in schools around the province. We're growing, and this would be preventable if we actually had a budget that was commensurate with the actual population and economic growth. Those are my concerns, really.

Another one is for Energy, \$192 million: \$157 million of that to transport our royalties in kind to market, right? We still have this faulty royalty regime, Mr. Chair, that undervalues our resources and sells Alberta very short. If we were meeting the 35 per cent target set by an earlier PC government rather than this very, very inadequate 10 per cent, then we would have plenty of resources by which to not just balance the budget but save for the future. This idea of using 20 per cent of our nonrenewable resources to pay for operational activities is clearly living on borrowed time. If you just keep doing this over time, then, of course, you run out. You don't save anything, and you mortgage the future. Certainly, as New Democrats we believe that by capturing an adequate royalty cut for our province, we would be able to actually save and wean ourselves out of using nonrenewable energy resources to pay for operational activities of the provincial government.

When we look at these estimates, we're seeing additional price tags attached to our already poor royalty regimes. If we take far less from the companies than we should, then we have to pay them to get it to market. I mean, that's a cost that oil companies should be paying for extracting a resource that, in fact, belongs to all Albertans. Simply put, this budget line is another example of a poor planning process.

Another one, I guess, is in regard to health care, \$345 million: \$209 million of it new, \$136 million of it savings from other programs. You know, it's just really very concerning for me to see that – say, for example, the Alberta Medical Association agreement ended up with \$150 million more than anticipated, right? It didn't hold the line at all, really, with doctors. Well, they've been trying to sell this idea of zero per cent to the other public-sector workers. So the whole thing just doesn't seem to add up, Mr. Chair.

Obviously, in the interim we have received the global budget for 2014. I just wanted to put a cautionary word in. Please, let's try to make the careful and reasonable presumptions about the growth of our economy, the growth of the population, and not shortchange these essential services that we are all responsible for here in this House.

Again, the supplementary supply addition to Advanced Education, \$53 million, with most of it, \$50 million, for enrolment pressures, it says. Obviously, we knew that these additional students were going into the advanced education institutions. Then why would we have cut \$147 million last year and undergone all of that pain and transition and confusion and layoffs and then have to put the money back anyway? You know, the whole thing just seems like an exercise in perhaps trying to do something else, maybe trying to make a tax on the people who actually deliver

these services. Otherwise, it just seems more like an outrageous display of lack of planning.

Recently the Alberta New Democrats brought attention to a draft report from the U of A, the University of Alberta, that highlights just how damaging this strategy has been. By returning only part of the funding – right? – and then doing that halfway through the semester, they had to lay off staff and not do the maintenance and program development that the institution did require. Our universities, researchers, and students, Mr. Chair, deserve better than what this PC government has been delivering. Without a long-term commitment to secure funding, then we just won't see any different.

This supplementary supply: hopefully, it's not the microcosm for the larger global budget that we will be going through here in these next few weeks. I think that always we should try to learn from our mistakes and try to develop a better strategy for budgeting that involves long-term planning, that involves the revenue side of budgeting and not just the spending, and one that people can count on so that each of the thousands of people who actually build budgets out of this very large sum of money can actually know how much they have and where they will go with it and build a budget and a program that's commensurate with a growing economy and a growing population.

Thank you.

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

Are there others?

Are you ready for the question on Bill 2?

**Hon. Members:** Question.

[The clauses of Bill 2 agreed to]

[Title and preamble agreed to]

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

**Hon. Members:** Agreed.

**The Chair:** Opposed? That is carried.

The committee shall now rise and report.

Hon. Deputy Government House Leader, I assume you're willing to move to rise and report?

**Mr. Denis:** Yes. Thank you very much, Mr. Chair. I would move that we rise and report.

[Motion carried]

[The Deputy Speaker in the chair]

**The Deputy Speaker:** I'll recognize the hon. Member for Banff-Cochrane.

**Mr. Casey:** Thank you. Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the following bills: Bill 1, Bill 3, and Bill 2.

**The Deputy Speaker:** Having heard the report by the hon. Member for Banff-Cochrane, does the Assembly concur in the report?

**Hon. Members:** Concur.

**The Deputy Speaker:** Opposed? Carried.

## Government Bills and Orders

### Second Reading

#### Bill 5

#### Appropriation (Interim Supply) Act, 2014

(continued)

[Adjourned debate March 11: Mr. Anderson]

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

**Dr. Swann:** Thank you very much, Mr. Speaker. Well, thank you. I'm pleased to rise and speak at second to the Appropriation (Interim Supply) Act, 2014. It's my opportunity, I guess, to add my sense that this is a government that's adrift, that is prepared to sell the future. [interjections]

**The Deputy Speaker:** Hon. members, please. The Member for Calgary-Mountain View has the floor.

Thank you.

**Dr. Swann:** There's a gentleman over there with pink hair that keeps making comments. I'm wondering if he's part of the drag scene. Whether or not he's part of the drag scene, I take his comments very seriously.

All too easily, Mr. Speaker, we focus on the here and now and crisis to crisis. A government that has been in for 43 years, unfortunately, is prone to this, looking much more closely and fearfully at its future, recognizing its decades now of close connection to the corporate sector and its dependence on the corporate sector for its campaign finances and its policy development, that has been so heavily influenced by the corporate sector.

5:00

It has lost its vision. It has lost its connection to the people and the long-term public interest. So we see a bill here, an appropriation bill that – no, it's not the entire budget, but it reflects, I guess, some of the concerns that all of us have on this side of the House, that we are making decisions, again, at breakneck speed without a thought for the long-term public interest.

Not enough heat has been placed on this Finance minister and Premier to show us not the money but to show us the vision. Where is this province going? Where is the concern about the kind of society that many of us believe is still possible, where we share and care and develop in a responsible way the resources that are our bounty? Where are the values in our employee relations and public services that shaped the early years of this government? Where is the sense that we're going to address the growing inequality in our society and the barely met needs of our most vulnerable? And where is the sense that we will look honestly and fairly at a tax system that serves all Albertans?

How are we going to move to a culture of health and healing among ourselves, our neighbours, our planet? Do we have the resources as government to properly plan our energy future? Environmental sustainability can create the social conditions – the social conditions – for peace and responsibility in all our citizens. It's been entirely absent from many of the discussions and, certainly, the budget itself and this interim supply.

Without a vision the people perish, Mr. Speaker. It's a commonly used phrase out of the Old Testament, and it's true that we have seen civilization after civilization relegated to the dust heap and extinction as a result of a very consistent pattern of power corrupting and power interfering with the vision of a government. We're seeing the evidence of that again here.



Financial management surely is a reflection of values and vision, and for many of us it's seriously derelict in this province. How is it that after 60 years of active oil and gas development and now with prices well over the '80s and '90s, we've spent everything and are going into debt? We've learned nothing from history, from other countries, even from our own experts, because the politics of prosperity trump everything. Maybe I should say that the politics of boom and bust have trumped everything.

It's easy to say that there's a vision in Alberta because this government talks about a healthy people and a healthy province, but where are the independent measures to say and to prove that we are failing in this? Increasingly, people are suffering from preventable mental and physical illness, social disintegration, growing inequity, environmental mismanagement without accountability due to the lack of resources committed to ongoing monitoring and enforcement of good standards. Lougheed said it well. Slow down the oil sands to meet their cleanup responsibilities. Let them develop only at the level that they're prepared to clean up after themselves, a basic kindergarten tried-and-true principle of living.

Provide the owners of the resource with their share. Move towards new technology, conservation, and renewable as if you meant it. Eliminate our coal-fired power damages, that are going on year after year after year as we still require 60 per cent of our energy through coal, a 19th-century energy source, when we have such great clean opportunities.

We've learned nothing from our several trips by this government to Norway. The previous ministers have gone to Norway and come back with interesting stories to tell and great lessons and admiration for the massive savings fund that they've developed.

Nothing changes because we do it the Alberta way. We have a unique approach to financial management and to planning for our future. Where is the long-term public interest? I'm talking not only about the financial public interest but the human capital, the social capital, and the environmental capital, that we continue to ignore at our peril.

When are we going to move to a balanced budget on our environment, with no net loss of environmental capacity, environmental quality, instead of settling for progressive contamination of our water and overextraction of our water with, in some cases, injection into deep formations, where it's lost forever? This is not the kind of thinking that even our First Nations have shown. Their seven-generation planning is responsible and appropriate. Short-term thinking and private interests continue to trump long-term financial planning and the interests of the earth.

The bottom line, I guess, is the question: what standards will we strive to achieve? What part will government, the private sector, and the nonprofit sectors play in our future? When are going to have that discussion and open it up and engage the public in seriously thinking about a resetting of the agenda here in this province? Many groups are calling, and some have given up because this government just continues to go down the same path it's always gone down.

**Mr. Dorward:** Not a bad path.

**Dr. Swann:** Not a bad path? It's easy to say that with \$100-a-barrel oil.

We have not addressed the long-term interests and debt that we are incurring without a bigger vision and a better engagement and more trust, I guess. A part of this, obviously, is that we've lost the trust of many in our society, and more and more people are simply thinking about themselves. There's a growing selfishness, a growing insecurity, a growing fear that individuals, families, and

organizations have to fight for everything they're going to get because there isn't a bigger engagement and a thoughtful approach to a bigger vision for our province.

In fact, we haven't had that necessary discussion between government, the private sector, and the nonprofit sector to decide who is going to do what and how we can support each other in doing what we do best. Indeed, how are we going to engage our First Nations in a more meaningful way so that they feel an integral part of our future and have a sense that their financial future is also going to be protected? We need to get on with it. We need to make the bigger vision and the planning and the accountability measures a priority before the conditions that we have set in place lead to not only our own increasing health problems and social disruption but also our future generations having extremely limited options.

As a famous business executive said: we need to shift from the urgent to the important. We need to think of our finances in terms of not only the return on investment this quarter and this year and whether or not the budget is balanced this year but on insuring that the long-term interests of all of us and the planet are being addressed. I don't see that changing very soon, especially with a divided Tory party that now dominates the Legislature and is competing with each other about who can have the lowest taxes and who can cut services and planning for the long term, again, catering primarily to our dominate industry, that needs to be brought into check and managed to balance with other important priorities.

5:10

So, Mr. Speaker, I have made my comments. I think the interim supply, Bill 5, continues on a pattern of unhealthy and potentially severely damaging priorities and is not serving our children and our children's children, and I will not be supporting it.

Thank you, Mr. Speaker.

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

Standing Order 29(2)(a) is available.

Seeing none, before I recognize the next speaker, might we revert briefly to the introduction of guests?

[Unanimous consent granted]

### Introduction of Guests

(reversion)

**The Deputy Speaker:** The hon. Member for Stony Plain.

**Mr. Lemke:** Thank you, Mr. Speaker. To you and through you I'd like to introduce a trustee with the Red Deer school board and, more importantly, my big brother. Please rise and receive the traditional warm welcome of this Assembly.

### Government Bills and Orders Second Reading

#### Bill 5

#### Appropriation (Interim Supply) Act, 2014 (continued)

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

I'll recognize the next speaker, the hon. Member for Edmonton-Calder.

**Mr. Eggen:** Well, thank you, Mr. Speaker. I just wanted to make a couple of comments with regard to the Bill 5, Appropriation (Interim Supply) Act, 2014.

My understanding of this from previous occasions is that the purpose of this is fundamentally about accountability, so I appreciate the hon. Member for Calgary-Mountain View making those larger remarks, that we do need to recognize, whenever we are allocating any funds – it's interesting, though. I looked at the past few years of appropriation interim supply numbers, and if you roughly estimate the growth of interim supply in direct relation to the population and the economic growth of the province, then this document actually does reflect that reality much better than our global budget that we just saw introduced last week.

I know through this information that you, this government, know that the population is growing and the economy is growing, and I can see that pretty much directly reflected in this interim supply document. But then I don't see it with the much larger, more fundamental document, which is the budget. So again, it's back to what I was saying just previously about not recognizing what is so plain on our faces, which is the reality of the growth of our economy and our population. It's even calculated in the budget from last Thursday. If you do a combination – people can debate about the actual number, but I mean around 5 per cent if you combine economic growth and population – the budget came in under that, at about 3 to 3.5 per cent of that.

You're already setting yourself up for failure, where you're not going to meet the requirements or the responsibilities of governance in the province of Alberta. So we come back and we get the money that we need in the interim supply. I think it's about \$429 million more than last year, which seems like a lot of money, but it really does kind of reflect a general growth pattern in interim supply, which is commensurate with population and economic growth. Isn't that interesting? I just wanted to point that out, that you know and we know that the large budgets that we've been putting out in the last two years do not meet the reality of this province. They don't face the actual requirements, yet the

smaller, still significant but smaller, budget interim supply document in fact does do that. So that's kind of an interesting anomaly, but this room is often filled with such ironies and confusion for people to ponder as to what the purpose of those confusions might be.

Thank you, Mr. Speaker.

**The Deputy Speaker:** Standing Order 29(2)(a) is available.

Seeing none, I'll recognize the next speaker. Are there any other speakers?

The hon. Deputy Government House Leader on behalf of the minister to close debate.

**Mr. Denis:** I would move that we close debate, Mr. Speaker.

**The Deputy Speaker:** Hon. members, my apologies. I did ask the wrong question. The motion should be for second reading of Bill 5.

Hon. Deputy Government House Leader, I'd ask you once more to clarify what you intended, that I might have misinterpreted.

**Mr. Denis:** Certainly, Mr. Speaker. Thank you for recognizing me. I would move second reading of Bill 5.

**The Deputy Speaker:** Thank you, hon. Deputy Government House Leader.

[Motion carried; Bill 5 read a second time]

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

**Mr. Denis:** Thank you very much, Mr. Speaker. I would move that the House stand adjourned until 7:30 p.m. this evening.

[Motion carried; the Assembly adjourned at 5:16 p.m.]

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