



Province of Alberta

The 29th Legislature  
Fourth Session

# Alberta Hansard

Wednesday morning, March 14, 2018

Day 4

The Honourable Robert E. Wanner, Speaker

## Legislative Assembly of Alberta The 29th Legislature

### Fourth Session

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Yao, Tany, Fort McMurray-Wood Buffalo (UCP)  
Vacant, Fort McMurray-Conklin  
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New Democratic: 54   United Conservative: 25   Alberta Party: 3   Alberta Liberal: 1   Progressive Conservative: 1   Independent: 1   Vacant: 2

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## Legislative Assembly of Alberta

9 a.m.

Wednesday, March 14, 2018

[The Deputy Speaker in the chair]

### Prayers

**The Deputy Speaker:** Good morning.

Let us reflect. May each member of the Legislature have a strong and abiding sense of the great responsibilities that are laid upon us, and may we always work to gain a deep and thorough understanding of the needs and the hopes of the families and the constituents that we serve.

Please be seated.

### Orders of the Day Committee of Supply

**The Chair:** I'd like to call Committee of Supply to order.

Hon. members, before we commence this morning's consideration of interim supply, I'd like to review briefly the standing orders governing the speaking rotation. As provided for in Standing Order 59.02 the rotation in Standing Order 59.01(6) is deemed to apply, which is as follows. First,

- (a) the Minister, or the member of Executive Council acting on the Minister's behalf, may make opening comments not to exceed 10 minutes,
- (b) for the hour that follows, members of the Official Opposition and the Minister, or the member of the Executive Council acting on the Minister's behalf, may speak,
- (c) for the next 20 minutes, the members of the third party . . . and the Minister or the member of the Executive Council acting on the Minister's behalf, may speak, . . .
- (d.1) for the next 20 minutes, the members of any other party represented in the Assembly or any independent Members and the Minister, or the member of the Executive Council acting on the Minister's behalf, may speak,
- (e) for the next 20 minutes, private members of the Government caucus and the Minister or the member of the Executive Council acting on the Minister's behalf, may speak, and
- (f) for the time remaining, to the extent possible, the rotation outlined in clauses (b) to (e) shall apply with the speaking time set at 5 minutes as provided in Standing Order 59.02(1)(c).

During the first rotation speaking times are limited to 10 minutes, and once the first rotation is complete, speaking times are reduced to five minutes. Provided that the chair has been notified, a minister and a private member may combine their speaking times, with both taking and yielding the floor during the combined period. Finally, as provided for in Government Motion 8, approved by the Assembly yesterday, the time allotted for consideration is three hours.

### Interim Supply Estimates 2018-19 General Revenue Fund and Lottery Fund

**The Chair:** The Committee of Supply has under consideration the 2018-19 interim supply estimates. I'll now recognize the hon. President of Treasury Board and Minister of Finance to move the estimates.

**Mr. Ceci:** Thank you very much, Madam Chair. Good morning, both sides of the House. I'd like to move 2018-19 interim supply

estimates for the Legislative Assembly and general revenue fund. When passed, these interim supply estimates will authorize approximate spending of \$29 million for the Legislative Assembly, \$7.7 billion in expense funding, \$559 million in capital investment funding, \$160 million in financial transactions funding for the government, and \$240 million for the transfer from the lottery fund to the general revenue fund.

These interim supply estimates provide funding authorization that will allow the normal business of the province to continue until the full 2018-19 estimates are approved before the end of May. These estimates also follow through on specific commitments this government has made to the people of Alberta and take into account the different timing of payments that exist across various ministries.

This simply means that ministries do not pay out the same amount of money each month. Advanced Education, for instance, makes upfront payments to postsecondary institutions so they are not forced to borrow. This is to say that it would be inaccurate to simply multiply these two months' totals by six and conclude that this will be the annual budget for a specific ministry. All of that will, of course, be revealed when Budget 2018 is tabled in eight short days.

I've spoken at length about our government's commitment to support and protect vital public services and programs. Our commitment to that is no better demonstrated than our previous funding increase to FCSS prevention across this province and the introduction of the Alberta child benefit.

It's important to remember that even during the worst of the recession Alberta's population never stopped growing. This means that we needed to step up and support Albertans receiving funding through various statutory and other programs. This is a commitment we made when the recession first hit, and it is a commitment we will continue to uphold as our government works hard to ensure the economic recovery reaches all Albertans and is one to last.

It is undeniable that things are looking up in this province. At our recent third-quarter update we said that Alberta's economy grew by 4.5 per cent in 2017. Average weekly wages are up. Manufacturing is up. Retail sales are up. Alberta added nearly 90,000 full-time jobs in 2017. That is undeniable. The trend is looking up. It was truly the year that Alberta turned the corner. And we cut the deficit by \$1.4 billion as well.

We all recognize that the strengthening recovery has not been felt by each and every Albertan. That means there's still much that needs to be done. Budget 2018 will continue that work to ensure all Albertans feel the recovery and strengthening economy.

Before we open discussion, I want to be clear that our government has done significant work to carefully find savings, and we've done so while continuing to support and protect vital public services that Albertans rely on and built together. Steps taken to date include limiting departmental discretionary spending; cutting salaries and eliminating perks and bonuses like golf club memberships for the highest paid executives of Alberta's agencies, boards, and commissions; negotiating practical agreements with public-sector unions such as the Alberta Teachers' Association and the United Nurses of Alberta. Thank you to both of those. There's ongoing hiring restraint for the core public service in spite of additional programs and services being needed by Albertans. We're consolidating various corporate services such as communications and IT, and things that are back of house are being organized.

We continue to be focused on taking measured steps to contain costs and reducing the deficit gradually as the economy recovers. Our plan is working. At the same time we will remain focused on the priorities of Albertans. Collectively we want to make sure that our kids have good schools and that our loved ones get the care they need when they need it. We know that there are tough decisions

ahead of us, but they will be made with an overarching priority that the quality of our public services should not be dependent on the world price of oil.

Madam Chair, these estimates will be fully debated when the budget documents are tabled. Approval of interim supply estimates pending the release and approval of the budget will allow this Assembly the time it needs to review and debate those plans.

I thank you for your time.

**The Chair:** The hon. Member for Cypress-Medicine Hat. Did you want to split your speaking time with the minister?

**Mr. Barnes:** Is it okay to go back and forth, Minister?

**The Chair:** Go ahead, then.

9:10

**Mr. Barnes:** Okay. Thank you very, very much, and thanks to the minister for his opening comments. Large parts of the world view – of course, I see differently. Alberta having the highest unemployment rate outside of Atlantic Canada, Calgary having the second-highest unemployment rate of major metros in all of Canada, behind only St. John's, is a position that I thought we'd never see ourselves in in Alberta. In talking to some financial experts last week who follow the government of Alberta, once we got past the six credit downgrades, we had trouble deciding if Alberta a year from now, counting all of our liabilities on the books and pensions and unfunded, was going to be between \$85 billion and \$105 billion. My goodness, the legacy that we're leaving to the next generation is astronomical.

I guess I want to start my questions today, hon. minister, with the process. In the opposition and around Alberta your government has been criticized for being secretive at times, for having, you know, things behind closed doors and not fully transparent to Albertans. Of course, as you said in your opening remarks, part of this two-month interim supply will include annual expenses. Some of it will be on the monthly prorated. With us just receiving this yesterday and us having three hours to debate this and discuss it, it's going to be very, very hard to get to the details.

As far as I know, the year-end of the fiscal year has always been March 31. My first question is why the government didn't prepare its budget earlier, in February, so we could skip this part. We could have full transparency for all Albertans without an interim supply and a budget that instead of two weeks from now we'll be debating – we could have done this sooner and skipped this part.

Thank you.

**Mr. Ceci:** Well, thank you very, very much for the question. You know, maybe I'll start first by addressing some of the initial comments that were made by the member opposite regarding the unemployment rate in this province and other things like that. Yes, Alberta has been through the worst recession in a generation. It has meant that many, many, many people have been let go from their jobs, jobs that they thought would never change in their lifetimes. But then the oil crisis came and the drop in the world price of oil. I can remember it went down to \$26 a barrel in January '16, I think. Twenty-six dollars a barrel. That changed the world, frankly. Many companies both in Calgary and throughout the province took the opportunity to address their challenges by letting go of their staff. Many people found themselves for the first time in the unemployment line. That was a sad time in this province.

Our economy contracted in 2016 and 2015 by 3.5 per cent. I don't remember times like that and certainly not as a Finance minister. That is not the kind of situation you want to walk into, but we did as a government. We didn't cause it. Again, it meant that many

people were not able to find work because, frankly, the contraction of our economy meant that other businesses besides the oil and gas sector were affected as well. People didn't have the disposable income they usually have. They, the businesses, needed to get through that time, and they did by the means they chose. We as a government said that we would have the backs of Albertans.

This leads into the second part of the question, with regard to the way of this government and the plan that we rolled out, which was to continue to provide the necessary supports that Albertans require, especially in a downturn, especially when they're worried about their families, especially when they don't have incomes. So our statutory programs – the income support programs, the government in partnership with the federal government's statutory programs, EI – spiked in terms of the demand for those, but this side of the House chose not to increase the waiting times, increase the lineups for statutory programs. We said: "We are going to have the backs of Albertans. If we need to borrow money, we're going to do it for that purpose." It's a good investment, Madam Chair. We invested in Albertans and continue to provide them a quality of life that, frankly, they would have been challenged to have on their own. So the borrowing was necessary.

The investments in capital were necessary, and for that you need to borrow. That is by both sides of the House seen as an okay thing to do if you're borrowing for capital, so we did. We borrowed for capital, and we invested in the building of bridges and roads and health facilities and completed schools, and that kept people working, Madam Chair. That kept private-sector companies working. That kept them having people on the job, 10,000 jobs per year annually, as a result of our investment in the capital program the government of Alberta brought in. You can talk to financial experts, but you need to be able to be balanced in what was achieved in all of that borrowing. You need to be able to say that, you know, more people weren't on the unemployment line, more people weren't destitute as a result of our investments, as a result of our maintenance of programs and services, statutory and otherwise, for Albertans.

With regard to "Why doesn't this government just table a budget early enough? It's eight days from now. Then we wouldn't need interim supply," Madam Chair, our government has been taking the time to consult Albertans, to hear their thoughts and ideas about building our economy, an economy built to last in this province, and on our path to balance. Many, many people, of course, on that side, on this side are interested and want to know, so we're taking that time to build that plan, a thoughtful plan, and roll it out on March 22, a plan that will endeavour to ensure that our province has an economy that's built to last and moves further off the boom-and-bust roller coaster.

Thank you, Madam Chair.

**Mr. Barnes:** Okay. Minister, we're being asked to approve over 8 and a half billion dollars with only a dozen pages of detail and less than 24 hours to read and prepare. It brings me back to the Q3 update about two weeks ago, when a similar amount of time was all that was afforded. Two transactions, or two financial items, in that Q3 update: one, your government had taken \$711 million of taxpayers' money for the Balancing Pool and PPAs to cover your climate leadership plan, billions of dollars of expenses, and with the climate leadership plan, in that Q3 update, there was \$323 million of grants, grants without the specific detail as to who those went to. You know, Minister, once again I'm standing here without, never mind full information, hardly any information. My question to you: with everything in interim supply and the expenses, do you have any idea how much of those expenses are related to either the

collection of the carbon tax, payment of the carbon tax, or special grants through the climate leadership plan?

Thank you.

**Mr. Ceci:** You know, the specific information with regard to the climate leadership plan – I don't see the minister here, but I know that that minister will be available when estimates occur and when our budget is tabled – those specific questions about, "How much does it cost for the climate leadership plan and levies to be administered?" can be probably answered more directly by that minister.

9:20

But I can tell you that in my own department there is I think it's in the neighbourhood of a couple of million dollars that are expended on the administration of that climate leadership plan. I can get more specific information and have that for when we do estimates and I sit down and talk with members of the opposition and members on this side specifically about my own budget and my own department. Those monies in my department, of course, are part of a contract we have with CRA to administer it on behalf of the government of Alberta.

The specifics I have for what is before you today: I think I did share what those details are about in terms of interim supply estimates. I mentioned that there was about \$30 million for expenditures within the Legislative Assembly, different offices. There's \$7.7 billion in expenses, and those are across the 21 departments of government. There is about \$600 million in capital investments across those 18 departments. There's about \$160 million – I can give you the exact numbers, but I'll round them for purposes of clarity – in financial transactions across 12 departments and then \$240 million for the transfer from the lottery fund to the general revenue fund to address the needs of government.

When you look at the interim supply before us today – and I caution against multiplying by six because that's not actually how the departments have come forward with their interim supply estimates – I said that many are front-ending in terms of expenses. They have to put out to PSIs or other places.

We have this document before us today. We have this document that will allow us to work for two more months. But in the meantime we will table the budget on the 22nd, we'll debate it fully, and questions such as those posed by the member opposite will be clear in terms of the discussions that the ministers have with those committees, that they're in front of later in the month.

Thank you.

**Mr. Barnes:** Madam Chair, this year's interim supply requests 1 per cent less funding for expense amounts compared to what we saw in last year's interim supply. As the minister just said, we're not comparing apples to apples because we can't times by six. Some expenses are in there that are annual, and some aren't, so it's a very inaccurate comparison.

But what it reminds me of is what I read yesterday. An economist had put out that Calgary's wage levels are back to 2005-2006. When I go around the rest of Alberta, it's hard not to find somebody that's only making 60 or 65 per cent of what they used to make. Back to the Q3 update, where every time this government has raised taxes, our tax rate, from 10 points to as high as 15 for personal and the 20 per cent tax increase we put on our corporations, has only resulted in this government collecting significantly less revenue. Of course, that's because of the income and wealth that they've destroyed. I'm looking at a 1 per cent reduction at a time that Calgarians are back 12 or 13 years in their wage level.

And then I'm wondering, when I look at interim supply – and I would hope that the minister could expand on this. Interim supply is requesting 40 per cent less funding for capital investment compared to last year's interim supply. You know, we've seen around Alberta that, other than announcements, this government has barely been able to do anything more than complete what was announced by previous governments. Here we're seeing 40 per cent less funding. So have we significantly cut our need for infrastructure? Will all the projects you promised Albertans be built on time? How do you explain this amazing decrease in capital investment?

Compassionate belt-tightening: many of us on this side of the House have talked considerably about our 20 per cent per capita spending over other provinces, over British Columbia. You're suggesting a 1 per cent drop, but what we saw in the Q3 update: every time you found a dollar to save, you spent it as fast as it came in.

Minister, what are your plans for capital investment? What are your plans for the interim supply? Is it legitimately a 1 per cent cut? You're going to find 1 cent out of every dollar: that's what your plan is to get Alberta back to a balanced budget? Perhaps that explains why you've had six credit downgrades. Anyway, if you could address those two things, I'd appreciate it.

**The Chair:** The minister.

**Mr. Ceci:** Thank you very much, Madam Chair. Just with regard to infrastructure I can tell you that in Q3 the capital plan is expected to be on budget at \$9.2 billion for 2017-2018. Now, that's a lot of investment across Alberta, and that's not fully just government of Alberta projects. That's with the SUCH sector as well, the schools, universities, hospitals, and colleges. There really is a great deal of investment in '17-18.

That's following through on David Dodge's recommendations. The former Bank of Canada governor visited with us in the summer of 2015, and he helped us lay out a plan to essentially ride this recession through and, as I said in my first response to this member, to ensure that Alberta smoothed out the recession as much as it could. We used public-sector dollars to help do that because the private sector was not investing. The private sector was experiencing difficulties, laying people off, stopping, turning down the tap on their private-sector investment in oil sands and other energy and other kinds of investments. So this government boldly went into that area and said: we're going to try and mitigate this recession as much as possible. We had a plan that increased the previous government's capital plan by 15 per cent, and that 15 per cent – and I mentioned it earlier – allowed 10,000 more individuals to have annual employment. That 15 per cent over the previous government's capital plan helped out a lot.

The second part of Mr. Dodge's plan was to ensure that there was, you know, a pause, a reflection. Once you're through the recession and starting into recovery, then you need to focus your time on making sure your capital plan is readjusted. In Budget 2018 – you'll have to wait for that – you'll see what our numbers are there.

But I don't think that you can read the kinds of things that you've read into the tea leaves of these interim supply estimates, that there will be a 1 per cent reduction in anything. We are focused on cost containment, Madam Chair. We found \$750 million in cost containment or savings this year, and we did that through a number of things that I talked about earlier: working with the public-sector unions to come in with practical arrangements for contracts, ensuring that discretionary spending of ministries or departments was reduced 10 per cent. We brought that across the agencies,

boards, and commissions, and we asked them for 10 per cent reductions in their discretionary spending as well, and we were able to achieve that.

Madam Chair, on the capital side we helped Albertans out. We helped Alberta out. Going forward, the second part of the capital plan that was laid out by Mr. Dodge was: now take a look at rightsizing your capital plan. You'll find out more about that in Budget 2018 in just eight days.

One thing I'd like to bring up . . .

9:30

**The Chair:** We've come to the end of the first 20-minute set. Do you have another speaker?

**Mr. Barnes:** Could I go again for 20?

**The Chair:** Do you want to take the next 20-minute segment?

**Mr. Barnes:** Please.

**The Chair:** And you still want to do it back and forth?

**Mr. Barnes:** Please.

**The Chair:** All right. Go ahead.

**Mr. Barnes:** Yeah. When you get back up, you can go again on that.

I want to talk about your capital borrowing and the interest costs. I was disappointed in your Q3 update, that you had \$500 million that you had set up as a reserve in case oil prices were low, and then you didn't spend it, so you claimed it as a saving. I don't know how not spending or not using it is a saving, but so be it. I was mostly disappointed that you didn't show the 5 and a half billion dollars of capital borrowing that you had done to show your true deficit number. Like the bondholders, like the bond-rating companies that have criticized you every time, that have criticized you considerably for not having a plan to get back to balance, I'm disappointed that you don't share your capital numbers and you don't seem to have a plan to repay the capital borrowing at all. Is this debt going to be on Albertans' books forever? Is this debt going to be on the backs of our future generations forever and ever and ever? I'd like to hear what your plan is.

When it comes to interim supply, capital investments, do you have any plan to repay that money just in what you're borrowing for this two-month period? Minister, the \$1.4 billion of interest that Alberta taxpayers are paying this year: I see parts of that sprinkled throughout financial transactions. Of course, financial transactions can include more than just the interest costs. Again, I'd like your best guess, an assessment as to what you think your six downgrades have cost Albertans in higher interest, what you think they're going to cost Albertans over the next year, you know, over the next five or 10 years. Minister, do we have a plan to repay capital debt, never mind the \$50 billion of operating that you've put on our credit card? How much is this extra interest going to cost us over the next few years?

Thank you.

**Mr. Ceci:** Thanks. To conclude the earlier question that I was in the middle of just before the stoppage, I just want to say that I'm really proud of the work that the different departments and ministers have done with regard to the capital and making sure that the capital gets built in a timely fashion, that the projects get built in a timely fashion. You know, when this government took over from the previous government, there were a number of outstanding promises that hadn't been followed up on, that no shovels were in the ground

around, and one of the first things we did was that we reorganized that area to make sure that if announcements were being made, they were quickly followed up with shovels in the ground and execution and completion. Hundreds of schools are now completed in our term of office. We are working on major infrastructure projects throughout the province that were long promised and little delivered by the previous government.

Madam Chair, the percentage of completion of capital budget to capital projects and expenditure of money is now at the industry average, where previously it was lower and, frankly, wasn't good enough. We put time and attention through our various ministers, Infrastructure minister, to bring that average up to an industry average of completion. So that's a really good thing.

I just want to go back to something that the previous speaker talked about in terms of taxation. Just to correct the record, we have not raised taxes repeatedly. We have brought in a progressive tax regime like every other province, territory, and the federal government have. We brought that in soon after getting elected, in June of 2015, and it is no different. It is the same kind or on the low end of all of the provinces, territories, and the federal government.

The previous government had, frankly, a disastrous tax regime identified for Albertans, and it went too long in this province and left us in a bad situation when we took over government. And on the corporate side, Madam Chair – that was on the personal side. On the corporate side the speaker talked about 20 per cent taxes for corporations. That's not correct. It went from 10 per cent to 12 per cent, again, which is among the low end of corporate taxation of provinces, territories, and in the country. So we just did what was necessary. We did what was right on the tax side. Frankly, it was one of the proudest days of my Finance minister career when we were able to eliminate the flat tax in this province because it didn't make sense. It didn't make sense. It was good for those who had a lot and very bad for those who had little.

Madam Chair, just getting back to the next set of questions with regard to the plan to balance, I had mentioned in my speech that, yes, there is a plan to balance, and this individual and all Albertans will see that plan to balance when budget is released in eight days. I can tell you that this province relative to all other provinces has very, very low net debt to GDP. Our ratio will be the lowest net debt to GDP amongst all the provinces, and that will still be the case when we return to balance in 2023.

Now, on the cost of borrowing – that was asked of me, Madam Chair – I'd like to put that in perspective as well. Ontario spends 8 cents of every dollar on borrowing costs. Their total amount of borrowing at this point in time, their debt, is \$141 billion. That's Ontario. Alberta is less than a third of that. Our borrowing cost is 2.5 cents on every dollar, so when you see that number in our budget or you multiply by what's here, remember that only 2.5 cents of every dollar goes to facilitate that borrowing whereas other provinces are as high as 8 cents. We are never going to get there. B.C. is 5 cents per dollar, and Saskatchewan is above us, at 2.6 cents.

Madam Chair, we have a sound fiscal plan. We have excellent public servants who are managing all of that. We have a focus on investing in this province so that we can leverage the recovery that's happening, and we will continue to move forward with that plan because it is working. The opposition, I think, are driven far too much by listening to credit-rating agencies. Of the credit-rating agencies that I've talked to, one of them suggested that \$3.5 billion needed to be cut from the budget or that taxes needed to be raised in that amount, and I said no to both of those things. I said no because cutting \$3.5 billion out of our budget would have a direct effect on the employment of hundreds and hundreds and perhaps thousands of people. It would reverberate through our economy,



and our unemployment, which was talked about earlier and which is coming down, would just rise as a result of that.

So the government of Alberta said: we will take on the debt; we will keep this province going to ensure that the quality of life Albertans have come to believe and trust in remains strong and present.

Thank you.

9:40

**Mr. Barnes:** Okay. I guess, Minister, I'm hoping for a little quicker back and forth as I move into more specifics. I guess my last thought on that is two things. You know, I understand you took over when Alberta was \$7 billion to the good in net assets, and here we are three years later \$50 billion to the negative. It's an amazing turnaround, sir, and I think that's what the bond-rating companies are most concerned about.

I guess the other thing that I feel the need to say is that our dear late colleague Manmeet Bhullar – I thought the world of him, and I don't think I'll ever forget the day that he stood up here and warned you that raising our personal tax rates was going to lead to a drastic drop in our income tax collected. I guess I would ask that – you know, Albertans have spoken. Albertans have put a lot of information out there. You can continue to ignore it, but future generations are at stake here.

Let's move to health care. Your interim allocation is \$3.8 billion, capital investments of \$31 million, financial transactions of \$12 million, a total of \$3.8 billion. Expenses are the balance of that. I'm wondering, Minister: have you done an analysis on how much extra the carbon tax is costing our health care operators, how much the cost of operating the ministry has gone up due to legislated increases in statutory holiday pay, proportional increases in wages paid due to minimum wage increases and overtime pay? This will be reflected in a higher budget with, again, levels of bureaucracy eating up funding that should be going to front-line workers in our health care system. Minister, have you done an analysis of what the carbon tax and your government's labour changes have done to cost our taxpayers money in health care?

Thank you.

**Mr. Ceci:** I think I'll try and quickly answer to facilitate some back and forth. With regard to health care, as was identified in the interim supply estimates, the totals here for expense, which means to keep the hospitals running, people employed, is \$3,746,000,000 roughly, then on the capital investment side about \$32 million, and on the financial transactions about \$12 million, 12 and a half million dollars.

Madam Chair, the breakdown that is here rolls up everything. The kinds of additional costs that may be contemplated from the other side are all rolled up in here. The breakdown could probably be best addressed by the Health minister. I know this has been a question from the other side for the short while we've been back. You know, what are the costs of the carbon levy, how much in administration cost is there? All I can say is that the carbon levy is – and this is not just me saying this. This is people with much higher positions than me saying that the carbon levy and the carbon leadership plan in this province led to the approval of two pipelines in this country. They will get built, and they will allow us to get oil to tidewater, which will be to the benefit of the entire nation. In terms of Alberta it will be a benefit as well.

The minimum wage increase that was talked about, you know, frankly – and I don't have statistics in front of me, but I can tell you that I think every person who works in a hospital setting is probably getting a better wage than minimum wage. So I don't believe that that is a relevant kind of concern to bring forward at this point in

time, and I don't believe the changes to the minimum wage, which will be \$15 this October, Madam Chair, and allow people to live in greater dignity than they previously could – under the previous government the minimum wage was, I think, in the \$10 range in this province, and you can't live on \$10. We know that. I haven't done that myself for many, many decades, but many people were forced to do that under the previous government. We're trying to make that wage the proper wage for people. I don't believe it's relevant for a modern hospital setting in this province at this time.

**Mr. Barnes:** Okay. Again, I'd appreciate it if you'd stick to the question, sir. It's interesting that, you know, I talked about corporate taxes being raised from 10 to 12 per cent, and I was told that that wasn't a 20 per cent increase. We've also talked about the unemployment and how that relates. Let's move on.

I want to talk about health care some more. In my time as Health critic and my time sitting in here, hon. minister, I think that the three things that I've heard that would help us get more value out of our health system more than anything are reducing levels of bureaucracy, Albertans having more access to allied health professionals other than doctors, improved services and reduced costs, and better electronic health records. So I'm wondering, very simply: is any of this \$3.9 billion that you're asking for over the next two months going towards reducing bureaucracy? Is any of it going to improving access for Albertans to other allied health professionals? And is any of it going to ensure that someday Albertans have full interactive electronic health records? I'd appreciate three quick answers.

Thank you.

**Mr. Ceci:** You know, he asked me to answer. I guess I can take as long as I want to do that. I don't think he can make me sit down.

Just to be serious about all of this for a second, I am so proud of the work being done by the Minister of Health and the Associate Minister of Health. The reason I'm proud about all of that is because, you know, when this side took government in May of 2015, Health, frankly, was on an unsustainable operational growth track. It was growing 6 per cent a year. Frankly, it is the largest portion of the budget, and it's, obviously, in the interim supply estimates the largest number there in terms of that expenditure. It's about 42 per cent of the operational expenditures of government on an annual basis – 42 per cent – Madam Chair. When we took over, we said: this is not sustainable.

At the same time the federal government was changing the Canada Health Act in terms of the transfer payments coming to provinces, and they were saying that that was being reduced from 6 to 3 per cent annually. The transfer increases would be 3 per cent, so frankly this side had to look at it and reboot. We had to say: "Something has to be different. We have to do things differently." These ministers under the direction of the Premier have reduced that operational spending growth from the 6 per cent it was at annually because it was eating the lunches of all other ministries here. We've reduced that to under 4 per cent, and our goal is even less than that. That's a really important thing.

This speaker has put it in the area of, you know, reducing the bureaucrats involved. I know that that's their constant fixation. There are bureaucrats out there who are getting too much. Well, frankly, the other side put that organization in place. We didn't do that. We've been reducing the operational spending, working with the Alberta Health Services Board, making sure we get good value for money. We're doing that.

The plan is to have electronic health records as well, to start to share that information amongst, frankly, the thousands of different places in the health system that have records that don't talk to each

other effectively. We started that work, and allied health professionals and the ministers are very focused.

**9:50**

**The Chair:** We are at the end of the second 20-minute segment. We can continue with the next 20 minutes.

**Mr. Barnes:** Yeah. Now, for this next 20 minutes can I just do 10 and then give the minister 10?

**The Chair:** That's fine.

**Mr. Barnes:** Thank you.

Okay. I want to talk first of all about Justice and the interim supply around that. Last year's requested interim amount for Justice and Solicitor General was \$254 million, whereas this year, Minister, it is \$286 million. I'm going to ask you to explain that \$32 million increase. Of course, I want to know if any of that is to fight rural crime.

You know, in Alberta, where the same perpetrators come back to the same summer village or the same rural area weekly, I'm told by a solid businessperson in a community that he catches somebody shoplifting every day, phones the police, and the police say: "We're not coming. There are not enough resources for Crown prosecutors or judges, and there's no point to this." It seems like rural Alberta again has drawn the short straw in terms of rural Crown prosecutors with caseloads in the 2,000 vicinity. Of course, how can justice and the protection of citizens be proper? Rural crime has reached epidemic proportions. What in your interim supply amounts are addressing this urgent issue? You have a \$32 million increase. We have a rural crime problem. We have a problem starting to spread into our cities. You're three years into your mandate, sir, and it's getting worse.

Again, of course, I know that you mentioned funding police officers. Okay. How does that address the problem if there are not enough people training to fill these vacancies? How does that address the problem if Crown prosecutors are overloaded? How does that address the problem of what I hear is the waste and the inefficiencies in the system, monies that could be put right to the front lines, right to the edge where we could do some work? I'd appreciate your explaining what that extra \$32 million increase is for and what it's doing for rural crime.

Minister, I then want to turn to interim supply, Agriculture and Forestry questions. One of the highest expense asks for interim supply is in Agriculture and Forestry. Out of the almost \$319 million requested over the short term for expenses, how much is going toward wildfire management expenses? How much is going to help our rural citizens that had horrific incidents, horrific events? Of course, your government has been slow to respond, and I wonder if there's an answer in there finally for still some of the people in Fort McMurray and the good families of southeastern Alberta.

How much of this interim supply will be for preparing for next year? How much of it will be to make sure that we can reduce the impacts of this? Would the interim supply ask be lower if this department actually provided a budget estimate for wildfire management instead of using the money out of the emergency disaster fund? It's always amazed me that as a government, you as a Finance minister, under budget for disaster instead of taking a three- or a five-year average so that the taxpayers, the citizens of Alberta, know what the true cost is.

What is your largest expense in Agriculture and Forestry? Over the next two months where is this \$320 million going to go?

We've talked about how Calgary is the second-highest city in Canada in terms of the unemployment rate. Edmonton is the fourth highest. My goodness, sir, the only area of Canada that is higher

than rural Alberta is Atlantic Canada. Is any of this money – any of this money – going to help them, whether it's for some necessary infrastructure or transportation projects, something that we can have a long-term focus on, or is it going to be in bureaucracy? Is it going to be in carbon tax? Is it going to be in extra hidden costs of labour changes and carbon tax? My goodness. You know, it's painful when you hear so many rural charities talk about how the carbon tax and these changes may force them out of being able to do the goodwill work that they've done for their neighbours for tens and tens of years.

I do see that there are approximately 2 and a half million dollars in capital investment in Agriculture and Forestry. Where is that capital investment headed? Is it going to be a physical asset? Again, will it be helping a particular community, or is it more of a provincial asset, a provincial spend?

Let's focus on the financial transaction line item in Agriculture and Forestry. What exactly does that \$219,000 cover in financial transactions? I've asked you two or three times about the increase in our interest costs to the taxpayers of Alberta because of our six downgrades. You seem to prefer an answer as to how we have a race to the bottom, how your government took over a province of Alberta for the citizens of Alberta that was to the net good by \$7 billion in assets and how you've changed that to \$50 billion in just three short years. And again, Minister, I've heard estimates from \$85 to \$105 billion, where just a year from now you may end up. That's a financial record that Ontario and Kathleen Wynne may be proud of, but it's not a financial record that the people in the coffee shops of Alberta are proud of.

If you could and if you'd care to, I would appreciate your answering how much our downgrades in credit have cost us and where that may lead us over the next year, where that may lead us over the next five or 10 years. I think the bond agencies are asking for an answer. They would like to know. Certainly, Albertans would like to know what it's going to cost us as well.

Madam Chair, I'd like to go back again to the first part, Treasury Board and Finance. We're showing interim expenses of \$33 million, financial transactions of \$604,000. Again, Minister, if you could take some time and explain to me the interest and the debt costs in the financial transactions under Treasury Board and Finance, I would appreciate it.

You talked about our current debt to GDP. Again, your plan appears to be unlimited. Please, if you could just succinctly let me know: what is our current debt to GDP and what was it the day your government was elected?

How much of your interim supply budget is also going to risk management and insurance? It's very, very important to protect future generations.

The interim supply is also allocating around \$900,000 towards capital investment and financial transaction for Treasury Board and Finance. Can you please indicate the background of where that money is being spent?

**10:00**

You know, there's been quite a bit in the news about concern for communities that straddle the Alberta-Saskatchewan border. Of course, your government has found itself in a trade battle with Saskatchewan and a pipeline battle with British Columbia in the last little while. But I want to talk a bit about the carbon tax, the Alberta-Saskatchewan border and the impact of the carbon tax, in particular. For years in Medicine Hat and Cypress-Medicine Hat people from Saskatchewan, when they were coming to visit, would sneak across the border on gas fumes, just barely making it to Walsh, Irvine, or Medicine Hat to fill up their tanks in Alberta, where they could save a bit of money. Well, hon. minister, the opposite is happening now.

People are going to Saskatchewan. They're waiting till they're in Maple Creek or Swift Current before they fill their gas tanks, back to the carbon leakage example of the unintended consequences of your climate leadership.

Thank you.

**The Chair:** The hon. minister.

**Mr. Ceci:** Thank you, Madam Chair. Just to correct the record on so many things that were brought up by the previous speaker, you know, this government has put in place a strategy to assist the city of Lloydminster. Is it Lloydminster or Lloydminster?

**Some Hon. Members:** Lloydminster.

**Mr. Ceci:** Okay. That place, Madam Chair.

We put in a strategy to help the businesses in that community because, frankly, there was leakage. I think it was talked about that way. People were going across to the Saskatchewan side, and we didn't want the businesses on the Alberta side to be necessarily challenged around all of that. But, frankly, the same sorts of problems weren't identified in Medicine Hat, as was talked about just now. So we addressed where those issues are real, and we have a plan in place where it's necessary. Of course, you know that the government of Saskatchewan raised taxes, so we're finding less of a call on that program we put in place to help the folks, the businesses out in Lloyd.

Madam Chair, I just want to correct one other thing that keeps getting incorrectly talked about, and that is the net assets of the province of Alberta. The estimate is that this year, at the end of March, we will have \$27 billion in net assets. Of course, that's when you add the capital, all the things that are owned by the province, on top of the net financial assets. When you do that, you know that we're in a positive position. We are the strongest province in terms of balance sheets. This is a problem other Finance ministers would love to have in this country. We are in good shape.

I will say just with regard to some of the questions on Justice that members opposite know that just earlier this week or at the end of last week there was additional investment in addressing rural crime. That investment is \$10 million, and I have every confidence that we will continue in Budget 2018, which will come up in eight days, talking about our commitment to address the rural crime issues in this province. We are focused on it, Madam Chair. We are working with stakeholders and agencies throughout the province to ensure that we work collaboratively and do the right things as are identified by the people who have their boots on the ground and know what will be effective and work.

What won't be effective and work, Madam Chair, is when people like members opposite stand up and all they talk about are situations that have not gone well. If they don't focus on how we're going to improve things and how we can work together and only are naysayers and say that things are bad and they're getting worse and they're getting worse – that's not how you address problems. You address them clearly by seeing what the issue is, trying something, analyzing whether that effort was of any use at all or how it could be made better, and then going back at it and adapting your approach. I really wish the members opposite would take that problem-solving approach as opposed to complaining about problems all the time.

Madam Chair, Agriculture and Forestry. I can tell you that Agriculture and Forestry makes significant upfront payments to the AFSC, or the Agriculture Financial Services Corporation, and the irrigation rehabilitation programs. So the amounts that are identified in the interim supply estimates are very much to keep those agencies working. Obviously, the second one, the irrigation

rehabilitation program, receives applications and makes decisions about investing those monies to ensure that we have the best agricultural growing situation possible for our agribusinesses out there.

Madam Chair, the other area of Agriculture and Forestry that was talked about significantly is wildfire preparedness. You know, I don't perceive that there's been a wholesale change from the previous government's approach to all of this. The same sorts of processes in working with municipalities and counties and districts are still in place in terms of their preparedness for wildfires and the government's support of all of them. The Flat Top mountain recommendations – I think that was the report that had to do with the Slave Lake fire – are what we are as a government focused on making sure get fulfilled.

I'm extremely proud of the work that first responders do every year to address and prepare for wildfires that may happen or once they do happen. I'm proud of the government's response to all of those areas. In 2017-18, Madam Chair, just to put some context around this, the base operating budget for wildfire management was almost \$133 million. That covers all the preparatory work that's necessary, including training, opening air tanker bases, and hiring seasonal employees to get ready for all of that. We have also more than tripled the FireSmart initiatives funding, increasing funding to that area by \$11 million in this year alone.

Actually, it was called the Flat Top Complex Review, not Flat Top mountain report, but all 21 of the recommendations in that report have been fully implemented at this time. We've focused a lot on that, and we'll continue to do so to ensure that all Albertans, particularly those who are concerned about wildfires, have a greater sense that their government is prepared for every eventuality.

With regard to other questions that were brought up about unemployment in rural areas of Alberta, I just want to remind members of the House that this side of the House is focused on a coal community transition strategy. Certainly, those people who were professionals and employed in coal communities with regard to the removal of coal: we are focused on helping them transition to alternative employment or training or education.

You know, the other thing that was raised was around charities in rural areas and additional costs. One thing we did immediately with Budget 2015 is that we raised the FCSS amount \$25 million, from \$76 million to \$101 million, because FCSS communities, over 300 of them across the province, were asking for that. The previous government was deaf to their call. They did not address it. We addressed it. We have now, with our fourth budget, put an additional hundred million dollars where there wouldn't have been that money to social supports throughout the province to allow them to better address the needs in those rural and other communities around Alberta.

**10:10**

Madam Chair, the situation with regard to our plan and who we're working for is clear. We're working for regular Albertans. We're not working for the richest Albertans, whom that side treated as insiders and friends all the time. We're focused on making sure that all Albertans who have good, mortgage-paying jobs or want to get them have that opportunity to better themselves. We're focused in Treasury Board and Finance on that. We're focused in Agriculture and Forestry on that. We're focused to make sure that those Albertans who put in a good day's work have the ability to rely on programs and services they helped build. So I'm less focused on the credit-rating agencies than that member is. I'm focused on what Albertans' priorities are.

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

This brings us to the next segment, with the third party. Hon. Member for Calgary-Elbow, did you wish to go back and forth with the minister or do a 10 and 10?

**Mr. Clark:** I would like very much to go back and forth with the minister, with his kind indulgence. I'll open with a couple of general comments. I know each of you, as I do, pays very close attention to standing orders. I know that as we prepare for session, like me, you read through your standing orders. So it'll come as no surprise when you read Standing Order 3(4)(a) that the Legislative Assembly of Alberta is meant to come back "the second Tuesday in February." One of the reasons for that, Madam Chair, of course, is so that the government is not required to bring in interim supply because the budget would have ample time to be introduced, debated, and passed in time for the end of the fiscal year, which every year, without fail, like it or not, comes on the 31st of March.

This interim supply is interesting in that it's not just one month. We're not just going to the 30th of April; we're going to the 31st of May. While that may be spun as just some sort of a technical thing – "Don't worry about it," the minister may say – well, you know, every single time, of course, this government has brought in a budget, in fact, we've had to bring in interim supply. It is certainly a rich tradition that the government they replaced also followed.

I can tell you that from speaking with folks within various departments in the government, it introduces real challenges for them to plan because it's unclear exactly what their budget is going to be. If you can imagine that you need to plan your activities from the 1st of April 2018 through the 31st of March 2019, not knowing specifically what your budget is going to be until the 22nd of March, that eight-, nine-day window is probably not sufficient for ministries to really, truly understand exactly what their roles are going to be in the next year. So I am disappointed that here we are yet again debating interim supply.

As I get into my specific questions about line items within interim supply, I just want to make a couple of brief comments here to the minister. While I do appreciate that it is not a straight line and simply, you know, multiplying by six, there are differences year over year. Places like Education, places like Advanced Education, of course, have a substantial variation in spending through the year. I respect and understand that. But there is so little information in the interim supply. It's one line: Advanced Education, expense \$469 million. There's virtually, in fact, no information about exactly what is included within it.

At least when we look at our supplementary supply, which we have the opportunity to debate this afternoon – and I am enthusiastic and excited about having an opportunity to ask some questions about that as well – there are at least a couple of lines of information of what exactly that money is going to be used for. So I am frustrated that interim supply traditionally has such limited information. The lack of transparency there is startling.

It does provide the opportunity for the government, perhaps, to embed and hide some spending increases, some overspending, and there's an awful lot of overspending to hide. When we look at the third-quarter fiscal update, issued just scant weeks ago, there's an extra \$1.032 billion of spending in the current fiscal year, in fiscal '17-18. There's an extra \$464 million over budget in operating expenses, \$427 million in general capital grant overspending, and \$323 million in climate leadership plan capital grant overspending. We throw around these numbers. It's a billion dollars here, a billion dollars there. It's \$464 million. That is a tremendous, a remarkable, a startling amount of money, Madam Chair. With that preface, I will move into asking the minister some questions, and apologies if some of this may be a bit of an overlap with my hon. colleague who's gone before me.

I'll start alphabetically. We'll start at Agriculture and Forestry. Now, I understand a lot of these increased expenditures this year relate to wildfire remediation, and I appreciate that, but of course the wildfire was in 2016, and this is the 2017-18 budget. My question to the minister is: could you just comment on where this \$318 million specifically is going to be spent on the expense side and on why it is that we're finding ourselves in Ag and Forestry so grossly over budget in this fiscal year?

Thank you.

**The Chair:** The hon. minister.

**Ms Larivee:** Thank you, Madam Chair, and thank you for the opportunity to speak on behalf of our government. You know, there was certainly a lot to unpack there, so I'll take the chance to respond to a number of them. I think there are certainly a number of reoccurring themes here in terms of some of the challenges, most of it bringing up things that are not new to this Legislature, not new processes whatsoever.

In terms of the budget being introduced in March, it's very traditional within this House to have the budget introduced at that time because of the way that our particular revenue stream is attached to oil and gas. In terms of the impact on staff decision-making and the difficulty of doing that, our government has certainly functioned quite well for decades in terms of functioning with the budget being introduced in March. They certainly have enough information on where we're going to be able to be quite confident and comfortable with moving forward and doing the work that they do every day.

Let me just take a moment to say thank you to all of those who work so hard on behalf of all Albertans in all of our departments across the government of Alberta. They work tremendously hard every day to make sure that we are able to deliver the services that they need in order to ensure that their families have all of the services and supports that they need to move forward. Thanks to all those staff. I certainly know that there are always challenges in terms of the direction the government and the Legislature bring to them, but they do an amazing job each and every year in working within the structure, that has been in place for a very, very long time.

Also, in regard to the limited information on interim supply, again, we have absolutely nothing to hide on this, Madam Chair, as is typical in terms of doing this. It's been every year that we go through this process and do it, and in just eight days, in just barely over a week, every member of this House will have a chance to see the full budget introduced, with an opportunity for all of us to have a very fulsome conversation on that. I know that I myself and all of my colleagues are looking forward to talking about what we plan to do this year in terms of moving forward in the new budget year, in terms of ensuring that not only do we continue to meet the needs of Alberta families and communities across this province but also that we've worked very hard in terms of ensuring that as we do so, we take every opportunity to do so in a fiscally responsible way. So we're very much looking forward to sharing that in just eight days.

Another point brought up by the member is on details around advancing the grant funding for the MSI funding. Again, Madam Chair, this is nothing unusual. It's been done in the past numerous times, and again there's nothing hidden in it, nothing bizarre. It's just something that's been done by others such as ourselves.

In terms of Agriculture and Forestry I wanted to clarify a misunderstanding there, that the upfront grant payments are to AFSC in order to support them, in order to do the payouts that they need to do through their program.

Hopefully, that was a good start to answering the member's questions. I know that we are all quite excited, as always, to continue to answer your questions and make sure that we are as open and transparent as possible to help yourselves and Albertans understand the direction that we're moving forward in in terms of supporting Albertans and making sure that we do so in the most fiscally responsible way possible.

10:20

**Mr. Clark:** Thank you very much, Minister, for the answers to those questions. As always seems to happen, time flies, so I'll jump ahead here.

One of the areas I wanted to ask about – and, again, I appreciate that it is not always entirely valid when looking at an interim supply to simply multiply a number by the number of months. However, for health care, I would think that probably health care – I can understand where Infrastructure, Transportation, and Education type areas would have substantial seasonal variation in terms of when the dollars go out the door, but demand for health care in this province, I can imagine, is generally very steady and stable.

When I do my quick calculations on the expense side of Health and multiply by six the \$3.746 billion that are planned to be spent in the two months here of interim supply, I get \$22.476 billion, and when I look at last year's budget, the existing budget, we get \$21.406 billion. That's a 5 per cent increase.

I look forward to the minister enlightening us as to how exactly that represents bending the cost curve in health care, where Albertans have, I think, a reasonable expectation that spending roughly 46, 47 per cent of our budget in one area would perhaps be an opportunity to find some savings without impacting front-line services. It's an area where I, of course, will voice my great disappointment in this government for not finding more ways of delivering high-quality health care services, which I know we do in this province, and doing so in a way that is more cost constrained. I look forward to hearing the answer on how it is that Health seems to have gone up so much.

**The Chair:** The hon. minister.

**Ms Larivee:** Thank you, Madam Chair. This is one of those situations in which somehow looking at the math and doing that multiplication just doesn't work. I certainly know that from my experience in working with women who were in labour, the same thing happened. In early labour they would be, like, "Okay; I've been in labour 12 hours, and I'm only at three centimetres" and think that they were going to be in labour for hours and hours and hours more after that. I told them: "You know, you can't do it that way. That's not the way the system works and not the way our bodies work." And this is very similar.

Sometimes, you know, you can look at things at face value and just do a simple multiplication, times six, and make assumptions that are in complete error. Just as those women in labour were not going to be in labour for three or four days based on the math that they were doing, nor can you say that interim supply in any way is representative of what we're going to spend by multiplying by six.

Just like in other ministries, Madam Chair, there are many upfront grants that Health has to provide. Health has an incredible responsibility in terms of ensuring that they meet the health care needs of those right across this province. I'm incredibly proud of our Minister of Health and our Associate Minister of Health and the work they're doing along with all of those incredible front-line providers and all their supporters in terms of providing health care.

But we also have many partnerships with organizations right across this province who work alongside Alberta Health Services

and the ministry in order to deliver services, and those partnerships require many grants right at the front of the year. We're really thankful for their work and once again just want to acknowledge how we work together to provide the best care we can to Albertans and will continue to move the bar on this and continue to make sure that we deliver the very best health care to Albertans that we can. But, Madam Chair, we're certainly not doing that with a budget that would be multiplied by six based on what is on the line of interim supply.

**Mr. Clark:** Well, thank you again to the minister, and thank you for your great work helping women in labour. I think this process may be just as painful as being in labour, but unfortunately the outcome isn't nearly as happy at the end.

Again, I do want to dig a little deeper into this whole question of health care. I appreciate the argument that we can't and shouldn't simply take this number and multiply it by six. However, what I'd like to understand is why, when I look at this \$3.746 billion for two months of operations of health care – that will be for April and May, which is the next fiscal year – and then I multiply that by six to count for 12 months, if I was to take those two months, calculate that, multiply that by six, I'd come up with a number that's almost \$22.5 billion. When I compare that to what was spent in this fiscal year, '17-18, that's a 5 per cent increase. That's the math that we have here in front of us.

What I'd like to know from the minister – again, I don't deny for one second that the people in our health care system are remarkable people and do tremendous work, and I want to be very clear about that. What I'd like to know specifically, though, is: what is different about health care spending in April and May that would make those numbers that much higher? When we see the budget in eight days' time, will we expect to see a 5 per cent increase in health care spending? If that's the case, what is already a pretty unlikely scenario of finding a way to balance the budget by 2023 gets pretty much impossible if that's going to be our cost curve. It may be bending the cost curve, but unfortunately it's bending it up, so that would be a real challenge. I'd like some very specific details on what exactly happens in health care spending in April and May that would put these numbers so far out of whack.

**The Chair:** The hon. minister.

**Ms Larivee:** Thank you, Madam Chair. Certainly, in my role as a nurse previously – no more reference to women in labour – what I can say is that it was incredibly difficult because previously what we saw in terms of health care spending was an absolute yo-yo. It just depended on the given thoughts of the government in that particular year what we might be getting. I never knew if I was going to have more colleagues or fewer colleagues that I got to work with, depending on the particular whims of that government.

You know, Madam Chair, we're committed not only to more stable funding than that, but also the outcome of that yo-yoing was, you know, an average increase in health care spending that was 6 per cent. Certainly, that has been an unsustainable outcome for the health system in this province, that has been a long-standing pattern, and we're very committed as a government to bending that cost curve. Absolutely, I would say that we are going to bend that cost curve, and absolutely our commitment to Albertans is that we do recognize the need to move forward in a fiscally responsible way and to ensure that we keep those increases within reason.

Again I will say how proud I am of the Minister of Health and the Associate Minister of Health and all of the staff for coming up with the very best solutions to move forward and doing so in a way that allows us to actually continue to enhance the health and well-

being of Albertans and the work that we provide to them but also for ensuring that we find efficiencies around that.

Again, you know, the Minister of Finance was working with finance offices right across government to forecast the requirements for each department. These are based on their expected costs, what commitments they had, and the timing of payments in the two-month period. Absolutely, in no way can it be projected that expenses would be based on six times what it is for two months, and I think that has been stated very clearly, that multiplying this two-month period by six months is not going to be reflective of the budget.

Once again, in only eight days the full, entire budget will be available for everyone to look at and to be able to comment on and to have long and prolonged conversations about as we go into estimates and answer all of the very specific questions for the members who choose to have those questions answered.

Again, I'm very proud of the work we're doing to bend that cost curve as we move forward, and I'm looking forward to seeing the fruits of our continued support for the health and well-being of Albertans and looking forward to having those conversations on the budget just next week.

**Mr. Clark:** Well, budget day, Madam Chair, is one of my favourite days of the year. It ranks right up there with Christmas. It is finance-nerd heaven, so we look forward to continuing that conversation. I am disappointed that we didn't hear much in the way of specifics, so I remain skeptical, frankly, that this government has any desire or ability, more importantly, to rein in spending in a responsible way. To be very clear, when we're talking about reining in spending, we're not talking about massive front-line cuts. When I talk to my constituents, I find it very difficult to believe that in a \$21.4 billion health care system, soon to be a \$22.5 billion health care system, we can't find some reasonable and responsible savings that do not impact front-line services.

10:30

In my final 30 seconds I will ask the Minister of Children's Services perhaps also to comment on Community and Social Services. It appears that our spending again has gone up quite substantially in that area. Is there something specific about April and May in terms of timing of payments that would cause that, or in fact is there increased service being delivered that has caused this cost increase?

**The Chair:** The hon. minister.

**Ms Larivee:** Thank you, Madam Chair. Once again I just want to state that each department submitted their requirements based on what their expected costs and commitments and timing of payments would be, and Community and Social Services is no different in that. We all have different expectations throughout the year. There's not an even disbursing of funds.

**The Chair:** We're now moving into the next segment, where any independent members would have an opportunity to ask questions.

It appears that that's not the case, so we will move on to any members from the government caucus if there are any who wish to ask questions. The hon. Member for Edmonton-Ellerslie.

**Loyola:** Thank you, Madam Chair. I really appreciate this opportunity to ask some questions.

**The Chair:** Did you wish to go back and forth?

**Loyola:** Yes, Madam Chair. I'll go back and forth with the minister. A lot of comments have been made in the House this morning

regarding credit ratings and the debt. One of the things that perhaps some of the members from the other side don't know – maybe even some of the members on this side don't know – is that I've been studying karate for the last nine years. You didn't know that about me, eh?

**Mr. Ceci:** I did know that.

**Loyola:** Oh, you did know that about me.

**Mr. Ceci:** You're looking good.

**Loyola:** Thank you, sir. Thank you. I appreciate that.

Now, you may ask: why is he bringing this up, right? Well, I bring it up because I was at my last karate class, and my sensei is, like: "Rod, why don't you hang out for a little bit here after class?" So we were hanging out, and, no word of a lie, the first words that came out of his mouth were: "Rod, I remember the Klein years. I remember the Klein years. My dad lost his job. I had just graduated from university. I couldn't find a job." He had a bachelor of science, he told me. He remembers at that time, during the Klein years, when the Conservative government of the time had cut so many programs in this province and people couldn't get access to the services that they needed because there were no front-line workers to actually help provide that service. That's what he remembers from the Conservative government of the time, when they chose to cut, cut, cut, cut, cut, as he put it to me.

Now, he's, like: "Rod, whatever your government does . . ."

**Mr. Clark:** Name.

**The Chair:** Hon. member, just a reminder that we don't speak names in the House, even your own name.

**Loyola:** He was, like, Sempei – because that's the title that's given to a green and a blue and a brown belt in karate, just so you guys know. I'm trying to keep this jovial. I'm trying to keep it jovial. He's like, "Sempei" – he actually said "Rod." He said: "I don't want us to go back to those times. I don't want us to go back to the times when it was hard for people to access services and when people were putting the budget before the actual needs of the people of Alberta."

Now, I understand that we don't want to go into major, major debt. We don't want to. I understand. And you know what? I know that our Finance minister has a good plan to get us back to balance, but that path to balance should not be sacrificing the people of this province. Never forget that the people who elected us to be in this House elected us so that we can make the best decisions in their interests and make sure that we're helping them when times are tough. That's the kind of government that we've chosen to be. When times are tough here in this province, we're going to make sure that we stand with Albertans.

We chose not to cut. Yeah, it's going to take us a little bit longer to get back to balance, but we chose not to cut because we don't want to sacrifice on behalf of the people of Alberta. We know they have it tough. But, you know, the good thing is that things are starting to change. The economic recovery is well on path. We're doing well. As the minister has said in this House before, housing starts are up, we have more drilling than we had before, manufacturing is up, and retail sales are up. Now, I know that not every Albertan is feeling the positive impact of this recovery yet, but going back to the words of my sensei, he was, like: it would have been a lot worse if you guys would have cut and cut and cut and cut the programs in this province so that people didn't have the services.

Now, the other thing that I want to mention is the fact that a lot of the problem during the Klein years was the infrastructure debt,

lack of hospitals, lack of schools. Like, I mean, how many schools were promised and promised and promised to communities? In my constituency alone since we've been elected, we've built four new schools. When I go door-knocking in my constituency, people open the door, and they recognize me: Rod. Sorry. MLA. They really say Rod.

### Point of Order

#### Referring to a Member by Name

**Mr. Clark:** Point of order. You have warned this member today. There are very, very clear parliamentary traditions that we don't use names, and cute as he may think it is, it is enormously disrespectful to this Chamber and to you for him to keep doing this. This is serious business. I understand that he's making a point, and that's fine. There are rules that have been established over centuries of how we conduct business in this Chamber, and I would ask that this member follow those rules.

**The Chair:** Another reminder.

**Loyola:** Madam Chair, I respectfully apologize to the House. I will stop using names. I was just trying to be jovial, but, you know, okay.

### Debate Continued

**Loyola:** Anyways, I go out door-knocking in my constituency. People recognize me, and they say: "You know what, MLA? We thank you for those four new schools that have been built inside this constituency since your government has been elected."

Now, that infrastructure debt weighs – it weighs and it weighs and it weighs – down on the people of this province, and that's what perhaps the members across the way don't realize. You know, they like to talk about the debt as if it was the personal debt of every individual in this province. It's not. They like to frame it that way, and I get it. That supports their opinion, and it supports their world view, and it supports their ideology, right? I get it. But that's not the way that the average Albertan sees it, the parent that wants their child to go to a school in their neighbourhood or even one across town that has, like, a special program that they want. They want that school. They need that school. They don't need it 20 years from now; they need it now.

10:40

The people in the constituency of Edmonton-Ellerslie, who started moving into that constituency more than 15 years ago, were promised. They were told by the developers, by the city. They were told by many people: yeah, they're going to be building a school right across from where you live, right here in this open space. They were being told that because they were being promised those schools by the past Conservative government. The sign was there, right in the field. It was there: future home of the new school. I don't know what they used to put on the signs. Whatever. It was something like that. The signs were up, but every time that constituent would walk by, walking their dog or maybe walking to the park, they would see the sign. Years would pass. No school.

When this government came on, we decided that we were going to fulfill our word and make sure to start investing in infrastructure projects so that we could get those schools built, we could get those hospitals built, and we could get those highways built because that's what the people of Alberta need. I want to give this opportunity to the Finance minister to talk to us a little bit more about that infrastructure spend and how important that is for Albertans.

Thank you, Madam Chair.

**The Chair:** The hon. minister.

**Mr. Ceci:** Thank you, Madam Chair. I want to focus a little bit on Q3 and what I reported in terms of the deficit reduction. It blends in with what the MLA for Edmonton-Ellerslie was touching on. Just a few short weeks ago I said that the forecast deficit would be \$9.1 billion, a \$1.4 billion decrease from budget. It's lower. That forecast for the deficit is much lower as a result of the significant cost-containment efforts and constraints on costs and improved revenues that have happened in this province, specifically the revenues in higher nonrenewable resource revenues, and increased investment income. On the cost-containment side there has been significant work. It's not on the kinds of things that the member was putting a priority on. It's not on infrastructure investment. The cost containment that you're able to see as a result of the focused work this government is doing is on negotiating practical agreements with public-sector unions such as ATA and UNA and others that are in the queue.

Madam Chair, the previous government did a lot of individual negotiating. We've been able to take a government approach to negotiations and wrap them up into a more strategic, holistic – a comprehensive approach is what I'm trying to say. The previous government's efforts were all over the place, and it resulted in a noncomprehensive focus on negotiating practical agreements. We're changing that and seeing good results.

We've extended, Madam Chair, management salary freezes in the public sector along with a hiring restraint across public services. As people here know, for this Chamber and our political staff and others, almost immediately when the new government took over, there was a freeze on salaries for political staff and the elected for the entire term, and that won't change. We have a hiring restraint across the public service and a focus on hiring front-line jobs only, and that's having some significant positive effect. Consolidating across corporate services is helping out as well.

Madam Chair, in my much younger years, I took tae kwon do, and I was a yellow belt with a green stripe. The name that they gave me was Weakling. No, it wasn't, Madam Chair. But I did take that, and I know the discipline, I understand the discipline that the MLA for Edmonton-Ellerslie is talking about, the discipline of being focused on what your goals are and moving towards those little by little.

I can say that our goal is to get back to balance. We are moving towards that goal, and the good results of the decrease in the deficit in Q3 show how that can happen, Madam Chair, by the work this government is undertaking across cost containment and really focusing on diversifying our economy. That doesn't take place right away. Diversification takes time, but we're working on it. We're focused on it. We're not just riding the boom and bust and hoping to God that oil goes up to a hundred dollars again because it's not going there in the medium term, in the long term. What people in the know talk about: they talk about lower for longer, so we have to come up with a plan that realizes that reality and works with it.

We, of course, remain among the highest rated in the country with regard to credit ratings. We are carefully and prudently finding savings across the public services, but we will not sacrifice things like health care, things like education, that are priorities for the member back there. What we heard from credit-rating agencies was that we have to cut billions out of our budget or raise taxes by billions to keep our credit rates the same, and frankly we don't think that's the right approach. We know we're coming back. We know that with greater recovery, with that flowing in and more and more people feeling it, there will be more disposable income. There will be higher wages. There will be better jobs in the future for Albertans. Frankly, more Albertans are employed today than were

in 2014, and they're employed today because they're graduating from schools. They're looking for work. They're finding work.

Often talked about is the quality of that employment. Madam Chair, it is no surprise to anyone that the recession has had the effect of dampening numbers of people in workplaces and their wages, but that is changing. That is changing. Our plan is working. We are leaders in the country, with the growth of our GDP being at 4.5 per cent last year, in 2017, and it will lead the country. Along with a couple of other provinces we'll be leaders again in 2018. You only have to look next door to Saskatchewan to see how the choices they made are having a negative impact on their province. Their growth in 2017 was 1.3 per cent. They sacrificed the hopes and dreams of many in Saskatchewan as a result of the choices they made, particularly around education, because it is challenging for people to get into postsecondary.

We're going to continue to support good jobs in this province, Madam Chair. A diverse economy will result as a result of the investments we're making. In Budget 2017 you saw that already with things like the petrochemical diversification program 1, which we have announced, and you'll see more work done on all of that in Budget 2018. We are focused on addressing the waste that was in the system, the waste, frankly, left behind by that side, the waste that was indicative in the high salaries and the exorbitant perks of some of the highest paid public servants in the country. We're addressing that, but you can't immediately address it.

Our plan is that those things are changing under our plan. We are going to make sure that people who are in public service positions are remunerated, are compensated, are benefited to the same levels as the public service or less than industry. The benchmarks, frankly, that the other side put in place for many of those agencies, boards, and commissions were related to the private sector, and that's just wrong, Madam Chair. We have taken pains to redress that through a number of our actions, and we're going to continue to do so.

**10:50**

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

**Mr. Malkinson:** Thank you very much, Chair. It's a pleasure to stand up and talk budgets. You know, as I mentioned, I'll start off by saying that unlike the two members that spoke before me, I do not have any background in the martial arts.

**Loyola:** Not yet.

**Mr. Malkinson:** Not yet. So there are going to be no martial arts metaphors in my questions here to the minister.

When I go out in the riding in Calgary-Currie, you know, I like to go and talk to my constituents. Not every single one of my constituents had a chance to come out and talk to me during the election, so I go to them and meet them where they are. Just recently, actually, I was at an event in my riding, that was a charity event hosted by members of the local community. A large portion of them were restaurant and small-business owners. I had a chance to go through the room throughout the day for this charity event, which was for a good cause, and be able to, you know, chat to them about some of their thoughts and what's going on. Some of them said to me, you know, the complaint that we often hear from the opposition: oh, minimum wage is going to make my business disappear, and doom and gloom will follow. So I, then, of course . . .

**The Chair:** We are now finished with the rotation of 20-minute blocks. We're now into 10-minute segments, where speaking time is limited to five minutes each or is shared. We will go back to the Official Opposition.

**Mr. McIver:** Okay. Madam Chair, I would like to share the time with the minister if that's okay.

**The Chair:** All right.

**Mr. McIver:** All right. May I begin?

**The Chair:** Go ahead, hon. member.

**Mr. McIver:** Okay. Madam Chair, I'm going to actually bring things back to where I think this is meant to be, which is . . .

**The Chair:** Hon. member, you do need to stand when you're speaking.

**Mr. McIver:** I will. Thank you.

I want to bring things back to where they're meant to be, which is a comparison of the first two months of the year coming up with the first two months of last year. I'm just going to ask the minister straightforward questions. To be clear, Madam Chair, I'm not asking him about any year other than a comparison of the first two months of this year to last. So if the minister goes other places, I am going to respectfully ask you to cut him off. Otherwise, he's not answering my question if he comments on other periods of time.

To the Finance Minister. Minister, you put this report out, and there's not a lot of information, but I'm going to respectfully ask you about the information that's there. It talks about Advanced Education. You want \$469 million for expenses. What is the difference in money that you're going to spend between the year coming up and the first two months of last year? What are you going to spend more on and what less on, please?

**The Chair:** The hon. minister.

**Mr. Ceci:** Thank you. In Advanced Education these are payments to postsecondary institutions up front . . .

**Mr. McIver:** Madam Chair, I didn't ask him what the category was; I asked him what he's going to spend more or less on.

**The Chair:** Hon. member, there is no rule as to what he has to say. He can speak to whatever he chooses as long as it's within the guidelines of the discussion that we're having.

Go ahead.

**Mr. Ceci:** Thank you, Madam Chair.

As I was trying to say, in Advanced Education these are payments to postsecondary institutions up front so they aren't forced to do any borrowing. Frankly, the member is saying: compare what last year's interim supply was to this year's interim supply, and tell me what the differences are. I'm not going to do that, Madam Chair. I don't think there's any point in doing that. What the point is is that these two months of interim supply are to ensure that the normal course of business, whether it's for Advanced Education or any government department, can be carried out as we take the time necessary to debate the budget, which will come up in the Committee of Supply process in a few short days.

Madam Chair, my staff has . . .

**Mr. McIver:** Madam Chair, he's not answering the question.

**The Chair:** Hon. member.

**Mr. McIver:** We were going back and forth.

**The Chair:** Hon. member.



**Mr. McIver:** Madam Chair, he's demonstrated that he doesn't know what he's talking about, so he should actually let me ask a different question.

**The Chair:** Hon. member, he can speak to whatever he chooses to speak to. He cannot be obligated to answer your specific question. That's simply the way this House works. You should know that and be aware of that, correct?

**Mr. McIver:** Oh, I'm happy to point out that the minister doesn't know his own portfolio.

**The Chair:** Go ahead, hon. minister.

**Mr. Ceci:** Thank you, Madam Chair. I just want to reiterate that my staff have worked with finance officials across government to forecast what the requirements are. That works the same way for Advanced Education. So based on their expected costs for the first two months, their commitments, the timing of payments that they are required to undertake over the first two-month period of the year are calculated: totally rolled up, that's \$8.7 billion.

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

**Mr. McIver:** Thank you, Madam Chair. I'd like the minister to explain for any of the categories – I'm going to make it as easy as possible on the minister to demonstrate that he actually knows anything about what he's being paid to do. Pick one, Minister; I'll leave it up to you. For any of the ministries, since you're asking for money for the first two months of the upcoming fiscal year, can you tell me for any ministry where you're spending less money than the first two months of last year or more money than the first two months of last year? Any one. I'm making it as easy on the minister as I possibly can to show that he knows his job.

**The Chair:** The hon. minister.

**Mr. Ceci:** Thank you very much, Madam Chair. The information that the member is asking for can best be understood with the full budget before us in eight days. In eight days he will be able to track every ministry he wants to track and see what the difference is in their expenditures. I've indicated that there are two months identified in this interim supply. It can't be multiplied by six. You can't compare this interim supply figure with last year's interim supply figure. It doesn't work that way. That's the answer.

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

**Mr. McIver:** Thank you. I didn't ask him to multiply by six. I asked him to take the two months of money he's asking for, and I asked him to say what was different. The minister demonstrated . . .

**Mr. Ceci:** Yes. I answered.

**Mr. McIver:** While he was interrupting me, he demonstrated that he doesn't know his job. So, Madam Chair, I will ask the minister another question based on the minister's opening remarks.

He spent some time talking about how he cut golf club memberships from agencies, boards, and commissions. I'm not arguing with him. My question for the minister is a simple one that only takes a number answer if the minister knows his file. The question is: what's the total number of the value of the golf club memberships, and what is that as a percentage of the government costs for agencies, boards, and commissions, please?

**The Chair:** The hon. minister.

**Mr. Ceci:** Thank you very much, Madam Chair. You know, it's interesting that the member wants to go down the road of exorbitant kinds of salaries, benefits for leaders of agencies, boards, and commissions that this government put in place because it's not a good record. It's not a responsible way of doing business, but they did it, and they did it to benefit their insiders and friends and people who benefited from knowing them as a 44-year government that was in place. I have said before and used the number of \$33 million that have been eliminated from agencies, boards, and commissions over a three-year period as a result of the work this government has done.

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

**Mr. McIver:** Thank you. The minister didn't answer the question: what's that as a percentage of the total cost of the agencies, boards, and commissions? So he demonstrated again that he doesn't know his job.

But we'll move on to the next thing, and we're going to continue to try to make it easy for the minister to just once show that he knows his job because so far he has demonstrated quite the opposite. Let's talk about things that the minister has talked about, and let's talk about how the decision should not depend upon the world price of oil. In these two-month estimates – and this was his remark, so I'm only asking him to expand on what he opened the door to. What's different in the first two months' estimates compared to the first two months of last year's estimates that is less dependent on the world price of oil?

**The Chair:** The hon. minister.

**Mr. Ceci:** Thank you. Again, I want to say that I don't think it's relevant to talk about last year's estimates. We're talking about this year's estimates. They're here before this House and can be debated. I'm endeavouring to do just that with the member opposite, who seems to be focused on last year.

**11:00**

I can tell you that the world price of oil for the fiscal year to date, which for the 2017 budget will end in just a few short weeks, will average \$54, Madam Chair. We started the year out in Budget 2017, back in April 2017, saying that it would be \$55 a barrel. That was the average that we understood from the private-sector people, and the method of calculating that is well known by the Energy ministry individuals. So they identified, we accepted, and we put \$55 in our Budget 2017.

That changed drastically during the year. At Q1 we changed that to \$49 a barrel. We were going along, tracking at \$49 a barrel, but then the world price of oil went up again. We raised our forecast to be \$54 for the entire fiscal year 2017, and, Madam Chair, we are very close to reaching that with two more weeks to go and the price of oil now being about \$61.23 per barrel.

Madam Chair, Budget 2018 will have a new forecast for oil in it. That will come up, and we'll share that in eight days.

**Mr. McIver:** Thank you.

The minister, after promising that he now was going to make decisions not depending on the world price of oil, just talked entirely about how his budget is dependent upon the world price of oil, again demonstrating that he doesn't actually know his job. So I'm going to make it easy on the minister again. Every question has been easy so far. Every time he hasn't been able to answer it. He said that he's going to create an economy built to last. What is different about the first two months of this year compared to the

first two months of last year, which is what we're talking about here, that is going to create an economy built to last, Minister?

**The Chair:** The hon. minister.

**Mr. Ceci:** Thank you. Well, the important things we've done are to make sure that schools are invested in, both at the postsecondary level and the elementary level, that there are schools there for people to go to, that there's training for people to go to. With education, with training, people can get better employment. They can do better for themselves and their families.

The other important investments we've made, of course, are into health care. So for an individual, that really is an economy built to last, if you have health care there and you know you can count on it.

Additionally, we have been focused on value-added parts of . . .

**The Chair:** We'll now rotate to the hon. Member for Calgary-Elbow. Did you wish to share your 10 minutes?

**Mr. Clark:** I would like very much to go back and forth with the minister if I may. Thank you very much.

I just want to offer a few comments on a few of the points that the minister has made. You know, we've been here long enough – it's going on three years now – so we start to hear themes emerge and the same words repeated over and over again, and those words over time unfortunately seem to lose meaning.

What this government seems so blindly adherent to is this whole idea that if there's any effort made to apply any fiscal discipline, any fiscal restraint, especially on the expense side of the ledger, that only could possibly mean massive front-line service cuts, that either we have a benevolent government that will look out for people, or we have some draconian situation where we're throwing children out into the streets and not building a single school in this province. That just is simply not the reality. Not only is it possible but it is absolutely necessary for a government to apply a little bit of fiscal discipline, a little bit of restraint in terms of the monies that are spent within government, all the while expecting Alberta's tremendous public service to continue delivering those services.

I've heard the minister say a couple of times – and this will be the first question I ask – that within agencies, boards, and commissions they have found \$33 million in savings from constraining executive pay from the ABC review, and that's great. I applaud them for this. Can the minister tell me, please, what percentage of reduction that results in to the overall deficit for the province of Alberta?

**The Chair:** The hon. minister.

**Mr. Ceci:** Thank you very much, Madam Chair. You know, the first thing I want to speak to is the fiscal discipline question. The fiscal discipline of this side of the House is stronger than on that side. We only have to look at the operational growth year on year that the previous government had. I can tell you that some years there were spikes up to 10 per cent in operational growth, and there were dips down to 6 per cent, and there were spikes back up to 10 per cent. This side of the House has bent that cost curve, when you wrap up all of operations, significantly. It's exhibited in the Health minister's portfolio, where it was 6 per cent per year growth on the operational side, and now it's in the 4 or under 4 range, and we have goals for lower than that.

Madam Chair, the previous budget, Budget 2017, has a graph here that identifies the bending of the operational costs that we have kind of been part of. It's in the 3 to 3.5 to 4.2 range, and we are going to undertake even more discipline in that regard to make it

even lower. That is how we'll get back to balance. That is how we'll address the deficit. We will have our expenditures under population plus CPI growth in this province. There are \$750 million in real constraints or savings that we have brought into Budget 2017. There is more we need to do. We know that.

The percentages that the member is looking for I don't have at my fingertips, but I can certainly work those up.

**Mr. Clark:** Well, happily, I've done that quick calculus, and it turns out that \$33 million of savings over your new \$9.1 billion deficit is, in fact, 0.0036 per cent. It's what one would call nonmaterial in the financial world. So while it's something, I think that's clearly not enough.

The \$750 million number you just threw out is a new one. I've never heard that number before. What I do know is that, looking at the third-quarter fiscal update, there's a billion dollars more in spending in fiscal '17-18 than was planned a scant nine months ago by this government in their very own budget. If all you did was stick to your own budget, that \$9.1 billion deficit would be \$8.1 billion. And that, Madam Chair, is material.

Back to health care. The minister had talked about constraining spending and also had talked about the behaviour of previous governments. I absolutely agree with him that previous governments, of which I was certainly never a part, never aspired to be, and never would be, quite deservedly were kicked to the curb. The party was so bad, it doesn't exist anymore. There's absolutely no doubt that the behaviour and poor fiscal management of the previous government were, frankly, not good either, but that doesn't excuse the approach that this government has taken. In fact, it gave even more of an opportunity for this government to show that it is possible – I can tell you that I know it's possible – to find reasonable savings within the public service.

I just wanted to ask – the largest budget line item here is health care. It looks like it's going to exceed \$22 billion next year. We'll see exactly what that turns out to be in eight days' time. But the minister talked about a 4 per cent year-over-year spending growth. Well, that still exceeds inflation plus population growth and will result, without question, in a very difficult time in balancing the budget because on the revenue side of the equation this government's entire plan seems to be to cross their fingers and hope the price of oil goes up. That's what happened in the third quarter, finally, and we realized some benefit from that. While I certainly will never cheer against Alberta, I think we would all agree that relying on nonrenewable resource revenues as the only way of saving our budget is not a responsible thing to do. It's also exactly what the previous government did, to their great detriment and to the detriment of the people of Alberta.

So I will ask the minister why, for the single-largest line item in the provincial budget and indeed in this interim supply document, Health, it is, in fact, acceptable for it to grow at 4 per cent year over year. Again, if you can enlighten us, to my questions previous, on how it is that we're going to constrain that when it looks like the first one-sixth of next year would result in spending levels that, if they're sustained over the remaining 10 months of the year, would be a 5 per cent increase in Health spending rather than the 4 per cent that you talk about or perhaps even less? When you look at inflation plus population growth, it's certainly less than 4 per cent.

11:10

**The Chair:** The hon. minister.

**Mr. Ceci:** Thank you very much, Madam Chair. You know, I cautioned all members – and this one has heard the caution from the Minister of Children's Services – not to do simple math and times

by six because that's not how the work was done to identify the interim supply estimates. The two-month period that we are identifying here, I want to underline, ensures that there's going to be time for a healthy debate around Budget 2018 and passing the Appropriation Act. Leaving a healthy margin of time to get important work done is deliberate and prudent in the planning on the government's part. When Budget 2018 is tabled on the 22nd of March, the Assembly will have the opportunity to discuss and debate the full budget. Once that process is completed, we'll bring the Appropriation Act into the Assembly that will provide for the full-year costs of the government expenses, operations.

Back in Budget 2017, the current budget that we're working with, there was an operating expense budget increase of 3.2 per cent for the '17-18 year in the Ministry of Health. Madam Chair, we have a work-in-progress with regard to Health in particular. There is great work being done to bend the cost curve in that area. I know the minister wants to reduce the operational expenditures, and she's working with the board of AHS to make that happen. I said about 4 per cent. I didn't say 4 per cent; I said about. These are numbers that are known off the top of the head of the relevant minister, for sure.

I want to say that there's good work being done in the area of pharmacies in terms of savings in generic drugs, in terms of savings in operational best practices, in terms of more efficient ways of delivering health services that are all having the impact of reducing the operational growth of that area.

**Mr. Clark:** All right. Looking at the clock here, I realize we've got about 10 seconds left, so I think I will just cede that time.

Thank you very much.

**The Chair:** We will now go back to the government caucus if any members wish to speak. For the 10-minute segment, do you wish to share that with the minister, hon. member?

**Mr. Malkinson:** I do wish to share. Thank you very much, Madam Chair.

**The Chair:** All right. Go ahead, hon. Member for Calgary-Currie.

**Mr. Malkinson:** Thank you very much, Chair. You know, I go out and I chat with my constituents in my riding. Just recently I was at a charity event with a bunch of business owners, and I was chatting with them about what our government is doing. As business owners, of course, they definitely care about what the economy is doing. So I chatted with them, and they said to me, you know, some of the things that perhaps could be talking points coming from the opposition, that the minimum wage, for example, is going to cause doom and gloom. But I chatted with them. I said, "Hey, how is business going for you?" and it's, like: "Business is up. We're seeing more sales." They feel like they've seen the bottom of this recession. With the minimum wage, like any business, I mean, they would prefer to have fewer costs than more, but they are going through with it.

At that same event, actually, there was a member from the party opposite who was a candidate who was running for the nomination of the UCP who was there as well. It was interesting because this person was, you know, pretty much following me around this entire event. It was interesting for these business owners, who sort of got to talk about two different visions of what Alberta looks like going forward. One of them was going along and saying: "Well, you know, we'd lower the minimum wage. There are better ways to help the single mom than the minimum wage." Of course, I am a strong proponent that the right way forward with that is minimum wage combined with us investing in things like \$25-a-day daycare and

such is the way to help those Albertans who are most in need, to help businesses forward. Because when those who are most in need have extra money in their pocket, they tend to spend that money locally in the economy.

If you give a tax break to those who are most well off amongst us, you know, that money doesn't tend to end up at the local pub if somebody is making over \$125,000 a year of taxable income. For those of you who don't know how tax brackets work, taxable income would be the amount of money that is taxable minus your about \$18,000 basic personal tax amount. Realistically, in order for an individual in the riding of Calgary-Currie to hit that extra tax bracket that we introduced – and I think we rightfully and meaningfully introduced a progressive tax here in Alberta – you've got to be making about \$140,000 a year.

Now, the opposition has quite clearly said that they want to return to a flat tax. For that individual who is now making over \$140,000 a year, to give them a tax break, the question I was proposing to these business owners was: "If we're giving that to somebody who is coming into your restaurant, who's making \$140,000-plus a year, are they going to buy an extra beer when they get a large tax break? Is that individual going to come in and buy the two-piece fish and chips versus the one?" These business owners kind of looked at me, you know, and went: "Well, highly likely no. I mean, a person who is making \$140,000 a year who is coming into my bar, for example, can only eat so much fish and chips and can only drink so much beer, and it's quite likely that they are already buying the amount of beer or fish and chips that one would buy when they come into the restaurant."

I talked to them again and said: "Okay. If you have a customer that comes into your restaurant who is currently making minimum wage or very near to it, you know, and if they have a bit of extra money in their pocket, do you think that when they do, they might buy an extra beer, might buy the two-piece fish and chips instead of the one when they have that bit of extra money in their pocket? Or perhaps they buy the same special they always do but come in multiple more times during the month. Do you think that would be a likely outcome of that individual having a little bit more money in their pocket?" And they said: "Yeah. That would make sense."

**The Chair:** Hon. member, you've reached the maximum of the five-minute speaking time.

The next five minutes will be for the minister to respond.

**Mr. Ceci:** Thank you very much, Madam Chair. I think I'd like to address a little bit of what was talked about, the programs of this government, particularly the focus around wages. The focus on wages is seminal. You know, it was something that started many other provinces to do the same thing. We can see to our west in B.C. that they're talking about now getting to, I believe, \$15 an hour, maybe shortly after the government of Alberta hits that. Ontario is talking about the same thing. It won't be very long before the entire country is readjusting what they believe is appropriate and right for people to make in minimum wages in this country. We know that in the United States it's also a focus. Many states have brought in legislation for the same thing.

Madam Chair, that's just one piece of the puzzle. The other piece of the puzzle, of course, is around ensuring that every dollar is appropriately valued in the government of Alberta and that there is quality or value for money with every tax dollar that's garnered. I can tell you that the focus on bringing down the deficit is paramount on this side of the House. The focus on containing costs is paramount on this side of the House. We're not reliant on or waiting for the world price of oil to go back up; we're doing what we can. We're managing where we can as a government.

11:20

I can just maybe say that the figures I talked about earlier, the amounts that I talked about earlier and the amounts that come out of these things – I want to specifically say that we are freezing salaries until September 2019 for all non-union and management across the public service. Since it was imposed in April of 2016, that freeze has saved \$29 million per year in the APS alone. That's just for the APS. I believe it's about 27,000 or 29,000 workers in the APS. We have an ongoing hiring restraint in the APS as well, which has saved \$204 million since the beginning of 2015, Madam Chair.

We have reduced health care costs by a hundred million dollars over three years by lowering generic drug prices, plus \$28 million from the operational best practices review. That was in 2017-18.

And this was asked specifically by somebody. We've cut the salaries and eliminated bonuses for the highest paid executives in Alberta's agencies, boards, and commissions, saving nearly \$16 million annually. Those folks are still working for those ABCs. They're still providing great service to Albertans, but frankly the previous government was offside with what remuneration should be for the highest paid executives in the ABCs. We've reviewed public agencies, boards, and commissions. There were 301 when we took over government, Madam Chair. There are now 263 ABCs that provide great service in this province, but we've saved \$33 million over three years by consolidating or eliminating or downsizing those numbers of agencies, boards, and commissions.

I talked about the consolidation and transformation of government corporate services such as communications, IT, finance, and HR, saving \$15 million to \$20 million annually once fully implemented while achieving better results, Madam Chair.

Another thing we did was that we went back to every department, 21 ministries, and we went back to all of the agencies, boards, and commissions, and said that because we are in a constraint period of time, you have to give up a portion of your discretionary spending and make sure that we are spending properly. Late in the year we went back to them and said: 10 per cent reductions for discretionary spending for 2017-18, saving \$8 million.

**The Chair:** Hon. Member for Bonnyville-Cold Lake, you have five minutes and five minutes. Do you wish to combine your time with the minister?

**Mr. Cyr:** Absolutely. If he's willing. Thank you.

Minister, I have been patiently sitting and waiting to hear some answers from you and your office, and what I've heard repeatedly is that we can't use this three-page document in front of us in any way, shape, or form to substantiate the spending that we're about to approve, \$8 billion. Do you agree with that statement? Yes or no, sir.

**The Chair:** The hon. minister.

**Mr. Ceci:** Thank you. I said that you had to be cautious about multiplying by six and figuring that that was the extent of that ministry's budget in 2018. You have to be cautious. It's not a direct line multiplication.

**Mr. Cyr:** Thank you for that answer. Now, you were saying that we can't compare this interim supply with past interim supplies for the two-month period. Yes or no? Is that correct, Minister?

**Mr. Ceci:** I think I explained myself on this. I'm not comparing interim supply to interim supply. I think you can see this interim supply as an approximation of the budget that will be before us in eight days.

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

**Mr. Cyr:** Thank you, Madam Chair. Now, I'd like to look at the first page, support to the Legislative Assembly. I went and checked past interim supplies. I know you just said that you can't compare them, but I wanted to take a reasonable opportunity to look at this. In 2015-2016 we had \$20,460,000 for support to the Legislative Assembly. In 2016-2017 we had \$21 million. In 2017-2018 we had \$20,597,000 in interim supply. This year we're putting forward \$13,528,000. Now, what we're looking at here is a 34 per cent decrease. It's been stable, sir. I would suggest that in this case – \$20 million, \$20 million, \$20 million, \$13 million – suddenly it looks like something is happening there, sir. Are you planning on firing 34 per cent from our Legislative Assembly support, sir? Yes or no?

**Mr. Ceci:** You've gone down the road of comparing previous interim supplies and figuring that there is some chicanery going on here. That's not true. LAO will continue to provide the support to the Legislative Assembly they've always provided.

**Mr. Cyr:** Well, sir, this is distressing to hear, that again we actually don't have an answer.

Let's actually move on to the next one here, which is the office of the Chief Electoral Officer. In 2015-2016 we had \$1,264,000. In 2016-2017 we had \$1.2 million. In 2017-2018 we had \$1.264 million. In 2018-2019, sir, it's \$6.5 million. That is a 415 per cent increase for this office. Now, I understand that we've brought in some new rules, but would you not be able to explain exactly how it is that this increased by 415 per cent, sir?

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

**Ms Jansen:** Thank you, Madam Chair. You know what I think is particularly rich about this conversation this morning? And I use the term "rich" ironically. What I think is particularly rich about this conversation is the sheer outrage of my friends on the other side of the aisle waxing on and on about their fiscal conservatism in the face of what they see as rampant spending when I am still trying to carve through an infrastructure demand list in my office that topped \$2 billion, with a "b". It would appear to me that the outrage fomented on the other side of the aisle seems only in reference to our budget and not to their infrastructure demands for their constituencies. Perhaps – and this is just a suggestion – if you really want to embrace the fiscal conservatism in yourselves, you might want to start by taking a look at your infrastructure demands and maybe saying: there are probably some things I can do without.

**Mr. Cyr:** I'd like to thank the hon. minister. She does bring up some valid points.

But I will go back to the interim supply bill, which is what we're discussing right at this point. I would argue that comparing interim supply to interim supply over the years is a valid way of looking at how we're doing. Now, obviously, it's clear that we have no ability to compare these years, in the mind of the minister, and that's, in my opinion, shameful.

Let's talk about Justice and Solicitor General. I see that, for instance, capital investment in 2017-2018 was \$742,000. Now, what we've got in this year, 2018-2019: it goes up to \$2,742,000. They added \$2 million, just a round number, to this line item. Sir, this is almost tripling or more than tripling this line item. What capital items are happening in this time period that weren't happening last year? That's a reasonable request to ask.

11:30

**Mr. Ceci:** The response will be something that you can spend countless minutes on when we have the full budget before us and you go into estimates and meet with the minister directly. That

minister will be able to tell you about their expenditures on the specific capital items that are of concern to you. I can tell you that this two-month ask is to ensure that the normal course of government business continues and is carried out, and it gives this Assembly the necessary time to discuss and debate the full Budget 2018 through the Committee of Supply.

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

**Mr. Cyr:** Thank you. I'd like to discuss Service Alberta in this, going back to the fact that we should be able to use prior interim supply bills to be able to track exactly how we're doing our spending and calculations. In 2016-2017 we had an ask of it looks like \$52,530,000. In 2017-2018 for expenses we've got \$55,532,000. In 2018-2019 we see \$78,500,000, Minister. That's a 41 per cent increase in expenses for that two-month period. We can see a stable line here of about \$55 million. How is it that we can't explain this increase of 41 per cent through these statements? I would like an answer to that.

**Mr. Ceci:** You know, if the full two-month supply is not needed – and in many cases it won't be; they've given themselves some cushion – it will roll into the subsequent part of the year. Madam Chair, we are giving ourselves a cushion so that we can deal with the expenses. Really, this is not something you want to multiply by six, and I think I've given that caution to several people on the other side. You want to understand that we are going to be coming forward with a full budget in eight days, and it will have the full amount for every ministry. It'll explain the relative goals of those ministries and what they're trying to achieve in the business plans. That information will all be available for all members of this House. It will also have the full amount that is necessary to address the expenditures in that ministry.

Madam Chair, there is nothing that's here that hasn't been in previous interim supplies. I would caution that you not compare previous interim supplies from last year and the year before and the year before.

**The Chair:** That brings us to the end of that segment.

We'll return to the government caucus should there be any members wishing to ask questions. Hon. Member for Calgary-Currie, do you wish to share the 10 minutes or just take five minutes each?

**Mr. Malkinson:** We'll share. Thank you very much, Madam Chair.

You know, I was listening to the debate, and I was wondering if the hon. Minister of Finance could explain how, if you're taking a very small segment of time with budgeting – I think of my Visa bill. If my bank said, "MLA for Calgary-Currie, how's your financial situation?" based on my Visa bill of March last year and my Visa bill of March this year, if one was to look at it, you know, one would see that my Visa bill of March this year is about 90 per cent lower than my Visa bill of March last year. The reason for that is that I had a very large planned expense in March of last year. I'm a car guy. I bought a transmission. They're kind of expensive. As a result, my Visa bill is way lower this year. If you only looked at that one small segment of time – could the hon. minister perhaps mention why it is important that we look at the full year and the full-year budget plan as opposed to single, small points of time, which seems to be what the opposition has been suggesting?

**An Hon. Member:** In case we buy a transmission.

**Mr. Malkinson:** In case we buy a transmission.

**The Chair:** The hon. minister.

**Mr. Ceci:** Thank you very much. Yeah, I'm trying to caution: you know, don't look at this interim supply and compare it to '17's and '16's and '15's. If you remember, in '15 I think we had four months or five months of interim supply. Those aren't valid comparisons, and it's not valid, anyway, to do it. What's valid is to look at the budget, the audited financial statements of the budget. This June you can compare our results with the previous June, and you can compare those results with the previous June. Look at those things as opposed to these interim supplies and making calculations on them.

If you look at the budgets overall, you will see something like, you know, that operating expense increases in the '16-17 year were 3.9 per cent. This year they're going to be it looks like 2.2 per cent. In the first year of our government it was 2.7 per cent. Those are the numbers you should be looking at as opposed to interim supply and multiplying by six and comparing them with previous years.

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

**Mr. Malkinson:** Thank you very much, Madam Chair. You know, going back to the theme earlier of chatting with constituents, I often talk with the constituents at the door about the importance of infrastructure spending and the decisions we made during the recession to keep people working.

Now, oftentimes constituents in my riding ask me whether our infrastructure spending is going to result in new schools in Calgary-Currie. You know, oddly, I say to them quite proudly that, in fact, it won't, but what it will result in is brand new schools in the area surrounding my riding, including new schools and modernizations in the neighbouring ridings of Calgary-West and Calgary-Elbow. Those important investments mean that the students that were overcrowding in the schools in Calgary-Currie and creating issues – I can think of one school in particular where students were actually being taught in a converted courtyard – are now having their school populations return to more normal rates, where each student is in their own classroom, and they're not having to use excess space as classrooms. What that means is that that allows students to learn in a proper learning environment, and that is good for the constituents of Calgary-Currie.

My question to the minister. As we go through, we heard, in fact, actually, from the Member for Cypress-Medicine Hat early on talking about overall spending, and we heard the number of going back to B.C.'s level, which for us would be a 20 per cent reduction. I'm wondering. To the hon. minister: just in our interim supply, you know, in the short period of time we have, what would a 20 per cent reduction look like if we were to take the advice of that hon. member, and how would it affect families like, perhaps, the ones in Calgary-Currie?

**Mr. Ceci:** Well, you know, thankfully, we have not gone down that road. We have believed, frankly, that Albertans are worth it in terms of the programs and services they've come to rely on, support, and grown to enjoy. Frankly, the investment in those programs and services is to the benefit of our province and its long-term fiscal health as well as health generally. Going down the road of austerity is one we chose not to undertake from the start of this government. We didn't campaign on it, and we were able to be successful, with 54 MLAs being elected to this House to represent the views of Albertans. Austerity is something they rejected. They rejected the previous government because of, frankly, its scandals and its ability to not address the needs of Albertans over time.

11:40

They supported the continued progress in this province that was borne out when this government came in. We have been progressive in terms of things like taxes, investments in the capital plan, and support for addressing the social needs of Albertans through the myriad of new ways that have come to this province as a result of looking at the evidence around health care and the support of people with special needs and treatment needs.

Frankly, I think that this new view that has been brought to government has been a healthy thing because we've been able to say: austerity does not work. When you take the approach that we've undertaken, your economy grows faster than in those provinces that have taken the austerity approach, Madam Chair. We're not going back to those bad times that were present. We're going forward, and Albertans are following.

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

**Mr. Malkinson:** Thank you very much, Madam Chair. You know, we were talking a bit about infrastructure and making sure that we were making the right choices. When we talk about those choices, in Calgary-Currie one of the things that I'm so lucky to have is that I actually have several C-Train transit stops that are right there in my riding. But many parts of Calgary and other major cities in Alberta, in fact, don't have those opportunities for transit. My question to the Minister of Infrastructure would be: with the upcoming budget, what would it look like if we started cutting back? I know that there's a massive infrastructure deficit, particularly when it comes to items of transit. What would a reduction, which is what the opposition seems to be suggesting, look like for Albertans in our major cities?

**Ms Jansen:** I'd like to thank the member for the question. You know, when we talk about infrastructure in this province, one of the great things that the Premier did in 2015 was to follow the advice of David Dodge. The advice was to build during the lean years in infrastructure. That was critically important, and we can see now the fruits of that thinking. What we have seen now is that we did the largest infrastructure infusion in the province's history, almost \$30 billion, and that not only built critical infrastructure that we were starved for in this province, but it put lots and lots of people to work on some very good and meaningful projects.

Fast-forward a couple of years, and your question takes me back to a conversation I had a couple of days ago, when I circled back with David Dodge and had a conversation with him. I said: "So we're going forward now. We've talked extensively about the need to ensure that we are building in the lean years, and now our economy is improving." In fact, as the Minister of Finance has stated before, our GDP numbers in Alberta are fantastic.

**The Chair:** That concludes that 10-minute segment.

We will return to the Official Opposition. Do you wish five minutes and five minutes, or would you like to share your time?

**Mr. Gotfried:** If I can go back and forth with the minister, that would be preferable. Thank you, Madam Chair.

**The Chair:** So share the time?

**Mr. Gotfried:** Yes, share the time.

**The Chair:** Okay. The hon. Member for Calgary-Fish Creek.

**Mr. Gotfried:** Thank you, Madam Chair, and thank you to the minister for being here to answer some of our questions. There's

one question that I'd like to ask that we've had a little bit of a challenge having answered in this House. It does relate to the interim supply estimates. The first one I'd like to ask is: is there any consideration within the interim supply estimates with respect to the legal obligations and financial obligations for the Enmax deal? We can go back and forth.

**The Chair:** The hon. minister.

**Mr. Ceci:** Is he going to sit down?

**Mr. Gotfried:** Oh. Sorry.

**Mr. Ceci:** I wasn't sure he was done because he kept standing.

The Ministry of Justice and Solicitor General has put forward, roughly, their needs for the first two months though you have to remember that those are based on front-ending some payments, bringing forward some payments in advance of when they would occur normally during the year or paying them off early, so that specific question needs to go to the Justice minister. I'm not part of the deliberations on the aspects of that part of their budget. Their budget is coming forward in eight days, and you'll be able to, through estimates, ask the minister that directly.

**Mr. Gotfried:** Thank you, Minister, for the non answer yet again, but we'll move on.

With respect to Economic Development and Trade, we all know, of course, that Economic Development and Trade is an extremely important investment for us and one which we hope is highly leveraged on behalf of Albertans. We see that there's just over 59 and a half million dollars being allocated in the interim supply estimates. I've got a few questions, and I would ask in advance if you would answer them succinctly and as directly as you possibly can. The first one would be: could you explain to us what specific investment-attraction initiatives will be undertaken during these two months that require this funding?

**Mr. Ceci:** The person who can explain succinctly and will during estimates is the Minister of Economic Development and Trade. My staff worked with officials in every ministry, as I've said, to forecast what their requirements are, and for each department, Madam Chair, based on their expected costs, commitments, and timing of payments for the two-month period, that is calculated here at \$8.7 billion.

**Mr. Gotfried:** Well, Minister, surely you must have some details to actually be able to approve and present this interim supply budget, so I'm going to ask another question. How much of this requested funding will be directed towards rural Alberta and, maybe even more specifically, to regional economic development alliances within this budget? Again, I'm certain that you've had a chance to look at some of the more detailed aspects of this before bringing this forward to this House.

**The Chair:** The hon. minister.

**Mr. Ceci:** Yeah. You know, what you're kind of asking about is the budget. In eight days the ministers of each department will be in front of estimates and answer all of these questions fulsomely. I'm not going to reveal the budget to you or anybody here today. What I am telling you is that the financial officials in each of the departments have put forward this interim supply request, which we have rolled up. The rollup is \$8.7 billion, Madam Chair. That will help us get through and have the opportunity to fulsomely talk about each of those expenditures that this individual and others on that side are interested in. I can tell you that there is \$7.7 billion in expense amounts rolled up in each department, and about \$600

million of that is in capital investments across 18 departments. I can't tell you what each of those capital investments is. They're asking for that. That's the responsibility of the ministers. What I can tell you is that this interim supply gets us through till we have a fulsome discussion on budget, which will start in eight days.

**Mr. Gottfried:** Thank you, Minister, but respectfully we're talking about the requested funding here, which we're discussing today, interim supply estimates, not the budget. We're talking about the allocation of the monies that you're requesting from us today. Specifically, you know, I think, again, we're looking for some detail here, that you've actually taken the time to take a look at what we're requesting. This is in the billions of dollars, Minister.

I'm going to ask another specific question. Is any of this funding being allocated specifically to the impacted coal mining towns? Again, I'm talking about the requested funding over the coming two months.

**The Chair:** The hon. minister.

**Mr. Ceci:** Thank you very much, Madam Chair. I hesitate to sound repetitive, but I can tell you that, for instance, you know, Agriculture and Forestry makes upfront grant payments to a significant number of agencies through the Agriculture Financial Services Corporation. I can't tell you what each of those investments of AFSC is about, but I can tell you that the ministry believes that they need this much for the two-month period, and that's what's being provided.

**11:50**

Now, the minister will be able to provide specific information in terms of this example. That'll be at estimates. It won't be here today. What we're here today to say is that \$8.7 billion gives us a cushion to be able to present the budget in as fulsome a way as members opposite need it to be presented, and we will do that in a very few short eight days.

Thank you, Madam Chair.

**Mr. Gottfried:** Thank you again to the minister, but I didn't actually ask about AFSC. Surprisingly, I got some answers on AFSC, but not on what I was asking about, and it seems that we're not going to get it. We're short on specifics here. We're asking for information on billions of dollars of interim supply estimates funding, and there's an opportunity here actually to, I think, share some of this information with Albertans in a transparent manner and . . .

**Mr. Ceci:** It was an extensive example.

**Mr. Gottfried:** I'm speaking here, Minister.

. . . an opportunity, I think, for you to show your diligence in terms of requesting this funding from Albertans.

I'm going to ask another specific question here. How much of this funding will be allocated to the international offices of the Alberta government?

**The Chair:** The hon. minister.

**Mr. Ceci:** Thank you very much, Madam Chair. The budget information, as this individual knows, is locked down until budget is presented. There are sanctions for anybody who breaks those rules, and I don't want those to occur to anybody in my position. We will share, can share, and intend to share. Whether it's about the international trade offices or AFSC or any other ministry and their capital plans, that information is part of Budget 2018, like it's

been part of Budget 2017 and '16 and '15 before it. We have given ourselves two months of running room with regard to the expenditures here so that that side can ask as many questions in the estimates as they want to pose and bring forward as many amendments that they choose to. We're doing the regular, good work of governments now and before us to present interim supply and to get on with the business of running programs and services for Albertans.

**Mr. Gottfried:** Thank you, Minister. Again, respectfully, you've come up with a number here which is to run the business of government, and we understand that that needs to be done until we get the budgets. You've been presented with some numbers by your ministries which I'm sure are realistic and based on some budgeted numbers. We're not asking to see the budget for the full fiscal year. We're asking to see some justification. I think that this interim supply questioning opportunity is for us to ask questions on behalf of Albertans on the allocation of this interim supply.

I'm going to ask again: how much of the funding will be allocated toward export development and promotion? Again, I'm sure that your ministries have got to come up with a certain amount of detail in terms of providing information to you to develop these interim supply estimates, which we are then trying to find out a bit more detail about so that we can justify that expenditure on behalf of Albertans.

**The Chair:** The hon. minister.

**Mr. Mason:** Thank you very much, Madam Chair. Let me give it a try. The interim supply is normally allocated in roughly the same proportion as the previous budget in order to continue operations of the government until a new budget is introduced and debated and approved. I understand the wish in opposition to try and wrinkle out a little bit of information about what the next budget is going to . . . [interjection] Winkle out. Look it up, hon. member.

**The Chair:** That concludes that 10-minute segment.

The next round would go to the government side. Well, we've just run out the clock. I was going to say that we had almost one minute, but we don't.

Pursuant to Standing Order 4(3) the committee will now rise and report progress.

[The Deputy Speaker in the chair]

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

**Ms Luff:** Thank you, Madam Speaker. The Committee of Supply has had under consideration the 2018-19 interim supply estimates for the fiscal period from April 1, 2018, to May 31, 2018. The committee reports progress thereon and requests leave to sit again.

**The Deputy Speaker:** Does the Assembly concur in the report? Say aye.

**Hon. Members:** Aye.

**The Deputy Speaker:** Any opposed? So ordered.

The hon. Deputy Government House Leader.

**Ms Larivee:** Thank you, Madam Speaker. At this time I'd like to move that we adjourn until we return to this House at 1:30 this afternoon.

[Motion carried; the Assembly adjourned at 11:56 a.m.]









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