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The 30th Legislature
Fourth Session

Alberta Hansard

Monday evening, March 20, 2023

Day 21

The Honourable Nathan M. Cooper, Speaker

Legislative Assembly of Alberta The 30th Legislature

Fourth Session

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Party standings:

United Conservative: 60

New Democrat: 23

Independent: 2

Vacant: 2

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Legislative Assembly of Alberta

7:30 p.m.

Monday, March 20, 2023

[The Deputy Speaker in the chair]

The Deputy Speaker: Good evening, hon. members. Please be seated.

The hon. Member for Peace River.

Mr. Williams: Thank you, Madam Speaker. I would like to seek unanimous consent of the House for members to be able to speak from seats other than their usual seat for the period of Committee of Supply.

[Unanimous consent granted]

Committee of Supply

[Mrs. Pitt in the chair]

The Chair: Okay. Hon. members, I'd like to call the Committee of Supply to order. Before we commence consideration of supplementary supply, I would like to briefly review the standing orders governing the speaking rotation as provided for in Standing Order 59.01(6), which is as follows.

- (a) The Minister, or the member of the 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 . . .
- (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 times set at 5 minutes as provided in Standing Order 59.02(1)(c).

During the first rotation speaking times are limited to 10 minutes. 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 24, approved by the Assembly on March 16, 2023, the time allotted for consideration is three hours.

Supplementary Supply Estimates 2022-23 General Revenue Fund

The Chair: I will now recognize the hon. President of Treasury Board and Minister of Finance to move the estimates.

Mr. Toews: Well, thank you, Madam Chair. I would like to move the 2022-23 supplementary supply estimates for the general revenue fund. When passed, these estimates will authorize an approximate increase of \$2.7 billion in voted expense funding, \$500,000 in voted capital investment, and \$292 million in financial transactions.

The estimates include additional funding to the following offices and government departments: Advanced Education; Affordability and Utilities; Agriculture and Irrigation; Children's Services; Culture; Education; Energy; Environment and Protected Areas; Executive Council; Health; Indigenous Relations; Infrastructure; Justice; Mental Health and Addiction; Public Safety and Emergency Services; Seniors, Community and Social Services; Service Alberta and Red Tape Reduction; Technology and Innovation; and Treasury Board and Finance.

Among various other programs, services, and obligations, the funding in Bill 12 will help provide for additional investment in the Alberta heritage savings trust fund. It will provide for the cost of selling oil and the site rehabilitation program. It will account for physician payments in the new Alberta Medical Association agreement and rebates and grants under the affordability action plan along with advertising to inform Albertans about the government's affordability relief measures. The supplementary estimates report the additional funding needed for the government's fiscal plan in 2022-23.

While we do see additional spending in this bill, it's important to highlight the work this government has done to get Alberta's finances back in order since we formed government. Madam Chair, in 2019 the MacKinnon panel found that Alberta spent significantly more than Canada's three largest provinces on a per capita basis but without achieving better outcomes. Since then this government has worked diligently and responsibly to bring spending in line with comparator provinces, and Budget 2023 shows that Alberta is at the range of those provinces on a per capita basis. We are no longer an expensive outlier. That's good news for our province and for the sustainable delivery of the programs and services Albertans rely on.

Furthermore, Budget 2023 keeps our net debt-to-GDP ratio well below our targeted maximum of 30 per cent. In fact, at the end of '22-23 we're at 10.2 per cent. Simply put, our commitment to our fiscal anchors is paying off and paving the way for a more prosperous future.

Going forward, new fiscal rules will make sure that governments continue to make responsible spending decisions. The new fiscal framework would require all future Alberta governments to balance their annual budgets, with certain exceptions, and use any surpluses to prioritize debt repayment. The framework would provide the government appropriate room to invest in areas and services important to Albertans while adding more rigour around expense increases. Setting limits would challenge the government to focus on improving programs and services while continuing to use hard-earned tax dollars wisely.

Looking at the numbers in front of us, we see that same sentiment reflected today. The largest supplementary amount in the estimates belongs to Treasury Board and Finance, where we see \$753 million provided for investment in the heritage savings trust fund. We've also brought forth, in separate legislation, changes that will enable the fund to retain 100 per cent of its annual net earnings. Right now any net income other than the amount needed for inflation-proofing is transferred to the general revenue fund. This change would result in significant annual growth in the heritage fund and mark another step, an important step, in securing Alberta's future. A compelling data point that's worth noting again, Madam Chair: if we had kept all of the previous earnings in the fund from day one without adding any additional deposits other than the ones that were made, instead of an \$18 billion fund at the end of '22-23 we would have a fund approaching \$300 billion.

The next-largest expense in the estimates comes from the Department of Energy. An amount of \$636 million is requested, which includes \$338 million for the cost of selling oil, primarily due to high oil prices, and \$279 million for the site rehabilitation

program as a result of revised federal program timelines. It also includes \$10.8 million for the Alberta petrochemical incentive program for an additional project approval.

An amount of \$553 million is requested for the Department of Health, including \$332 million for our physician payments, \$184 million for the new Alberta Medical Association agreement, and \$37 million for payments to allied health providers.

On the matter of health, it must be noted that Budget 2023 will provide funding beyond that which we see in this bill to continue to build a stronger health care system for Albertans. In fact, we're once again setting a record for health spending in this province this year by committing an additional \$965 million in operating expense in '23-24 for the Ministry of Health. This funding will ensure the government can take the urgent action needed to improve ambulance response times, decrease emergency room wait times, reduce wait times for surgeries, and attract more front-line health care workers to deliver the care patients expect and deserve.

A total of \$355 million is requested under Affordability and Utilities. This includes \$349 million for utility rebate and grant programs primarily related to electricity rebates as part of the affordability action plan. The unique and challenging circumstances of the last year called on the government to act fast to make life more affordable for Albertans. Budget '23 builds on our efforts in this area with \$2.3 billion in affordability measures in '23-24, \$1.5 billion in '24-25, and another \$1.8 billion in '25-26. Madam Chair, we're keeping more money in the pockets of Albertans, and we're continuing to provide a helping hand to those in need.

7:40

Other funding is requested across departments to provide for various services and initiatives that enhance Albertans' well-being and support opportunities for them to learn, develop skills, and enter well-paying careers, because, Madam Chair, we want every Albertan to participate in the Alberta advantage. This includes \$32 million for public security, \$31 million for court and justice services, \$28 million for homelessness and outreach support services, \$20 million for learning support funding, \$4 million for advertising to raise awareness of available mental health and addiction resources, and \$1.5 million for rural economic development, among the other program services and initiatives detailed before us today.

Overall, the amounts in these supplementary estimates are needed to help the government address Albertans' current priorities. Madam Chair, with that, my colleagues and I will now be pleased to answer questions from the members of this Assembly.

Thank you.

The Chair: Hon. members, we'll now ask the Official Opposition to start off the questions. Would you like to combine your first 60 minutes?

Mr. Eggen: No.

The Chair: No? You just want the first 10? It's all yours. The hon. Member for Edmonton-North West.

Mr. Eggen: Well, thank you, Madam Chair, and thank you to all of the ministers and assistants that are here this evening. It's nice to see some of your familiar faces and gainfully employed still. That's great.

I'd just like to make some general comments about supplementary supply. What's clear from this request for supplementary supply is that this UCP government is campaigning on the public dime: a whopping \$6.6 million for advertising alone to promote the

government. As we heard in the Budget 2023 estimates, another \$3.5 million is on the way to keep on promoting the government. This, in our view and in the view of many Albertans, is an abuse of public dollars.

Over \$10 million of public money is being spent to promote the new Premier's government right before the election. That's \$10 million that's not even being spent to hire family doctors, for example, or \$10 million that could be spent on teachers in the classroom. Most importantly, that's \$10 million that could be spent to further the electoral interests of the UCP government. That's \$10 million of pre-election, taxpayer-funded political advertising. It's four times more than what a party can spend in a campaign. Absolutely outrageous. The House simply, on this side, doesn't stand for it.

Madam Chair, certainly, supply is a matter of course. I know as government, as minister that it's necessary to do so, but is it necessary to spend four times the amount that it is even legally able for any political party to spend during an electoral period in a pre-election spend out of the supplementary supply? There seem to be no boundaries around this; there seems to be no regulation. Certainly, the Finance minister said some words about: oh, no; well, we wouldn't do that. But there's absolutely nothing legally that would compel the government to do anything but what this was originally intended to do, which is to create a fund to promote the government's interests before an electoral period.

You know, Albertans are smart. From the barrage of telephone calls, of which I've gotten many from several of you – I didn't answer – and the pamphlets that are in everybody's mailbox all of the time, a lot of people just know that the government is campaigning on your money, on the money that comes out of taxpayer money, campaigning on that same dime. People just don't like it; it leaves a bad taste in their mouth. Quite frankly, it goes against the spirit of the difference between a budget and campaigning. It's as simple as that.

Those, Madam Chair, are my general comments around supplementary supply. I think that my colleagues will add some supplement to that, supplement to the supplementary supply comments. The bottom line is this – right? – that people need to know that this government has cut themselves a cheque that is four times greater than what they're allowed to spend during an electoral period, in the pre-electoral period, in supplementary supply. And, quite frankly, this is unacceptable.

Thank you.

The Chair: The hon. Minister of Finance.

Mr. Toews: Well, thank you, Madam Chair. I'd like to respond to a few of the assertions that the member opposite made here over the last few minutes. Firstly, the assertion that we are simply using these funds for campaigning is completely ridiculous. The biggest expenditure is to the heritage savings trust fund, a fund that is owned by all Albertans, \$753 million to make \$2 billion transfer in this year. Secondly, the second-largest expenditure is made for Health. I don't call that campaigning; I call that delivering first-world health care. The Health minister is ensuring that EMS wait times are shortened, that times in emergency room departments are shortened, that our surgical wait times are shortened, and this funding will ensure that he can accomplish those goals.

Madam Chair, I don't know if anyone in this House will argue that we're facing a time of inflation. Three hundred and fifty-five million dollars are going to electricity rebates, electricity rebates that are covering virtually every household in this province, and that is critically important during this time of inflation. And \$338 million are going to off-set the cost of selling oil. We are in a time

of higher energy prices. We're all thankful for that in this House, but with that come some additional costs related to selling the oil that we receive as a royalty in kind.

Madam Chair, this supplementary supply, this additional appropriations bill was put in place to ensure that we could fund the priorities of Albertans.

The Chair: The hon. Member for Calgary-Bhullar-McCall.

Mr. Sabir: Thank you, Madam Chair. I rise to speak to the supplementary supply.

The Chair: Sorry, hon. member. Would you like to share the 10-minute back and forth or just take the 10 minutes?

Mr. Sabir: No.

The Chair: Take the 10 minutes? Go ahead.

Mr. Sabir: While we were in estimates, I really wanted to share time with the Minister of Justice, and I was not afforded that opportunity. The minister of public safety also initially didn't share, but midway through the minister graciously agreed to share the time, so at least that was good.

We are talking about budget supplementary supply, one of the main instruments of government's fiscal policy, and that certainly needs to be focused on Albertans' needs, issues facing them, and how we spend the government's money. The minister talked about responsible spending and also talked about that if previous Conservative governments had spent responsibly, there would be \$300 billion in the heritage savings trust fund. However, if these figures – when we look at supplementary supply, certainly if you're spending in health, if you're spending in education, that's a good use of public money. Certainly, our health care system is in crisis. Our education system is in crisis. We are facing inflation. In fact, we are facing a fairly significant cost-of-living crisis. What's clear from this request for supplementary estimates is that the government is giving itself a whopping \$6.6 million for advertising alone to promote not just the government budget but to campaign for the next election.

7:50

Madam Chair, I heard a couple of ads on a local radio station in my area, and the government has the audacity to say in that ad: we listened to you; we are capping insurance. There are two or three problems with that, and government money is going on it. Northeast Calgary was struck by the fourth-largest natural disaster in Canadian history – fourth-largest natural disaster – and not one dollar came from this government to help northeast Calgary. Not just one dollar. The then Premier was saying – I guess he visited far too late, but I will leave that. Here we are seeing almost \$6.6 million to promote, I guess, government and another \$3.5 million, again, to promote government.

But back to that ad. Not only did we not get anything during that natural disaster; they talk about capping insurance for three years and seven months, three and a half years, but we heard from this government that capping destroyed the insurance industry. They were leaving. They were taking all the products away, and soon we will be out of the product. There will be no insurance in Alberta, so we need to remove the cap and hand the pen to insurance companies so they can raise it to whatever they think is reasonable. Now they are running a government ad, and after that, when they said that they will finally cap it, they have given huge increases to two different companies, one of them being Aviva, who holds a

significant market share in Alberta. That's the kind of thing this \$10 million is going for.

This \$10 million can help us with so many things. While the minister of affordability is here, I can tell you that we cannot afford that kind of spending to promote government spending during an election year. People are struggling to put food on the table. People are struggling to pay for insurance. People are struggling to pay for utilities. And here the same people are asked to chip in \$10 million so the government can campaign on the public dime. This is an abuse of taxpayer money. If they think their spending is that great, they wouldn't need \$10 million to tell Albertans: "Look, finally, we are spending on health care after cutting it for three and a half years. Look, we didn't build a single school in northeast Calgary, but now we have \$10 million to promote something that we are spending on education. Look, we removed the cap from insurance and let it go up by, in some cases, 300 per cent, and now we are spending \$10 million to tell you that we have a temporary cap on it."

That's not a responsible use of this money. Ten million dollars can help us with so many things. It can at least put 100-plus educational assistants, out of those 25,000 that the minister fired, back in our classrooms. It can help us with some of the PUF funding that was cut by this Education minister. That's a lot of money that can go to help people with disabilities. It can help us hire additional health care staff. And talk about responsible spending: 70 days before an election the government came before this House asking us to approve \$10 million so they can run a campaign. That is not acceptable, and I don't think there is a reasonable explanation that any of the members can provide even with the help of the public service. There is no explanation for that kind of spending, campaigning on the public dime. Certainly, that's not what Albertans expect from us. That's not what's acceptable to our constituents. That's not acceptable use of taxpayer dollars, and I don't think that there is any explanation for that.

With that, I will cede my time to my colleagues.

The Chair: The hon. minister of affordability.

Mr. Jones: Thank you. The member opposite touched on a number of topics, and there are experts in the room, so I'll just give high-level comments on some of them. In terms of schools I'm pleased to report that I was in my constituency of Calgary-South East on Thursday, Friday, and earlier today for three separate public school openings, two elementaries and a middle school. Three school openings, three public schools in a Calgary constituency in three days. Three. I mean, I read on Twitter that no Calgary schools were being built, yet I'm cutting cake, celebrating school – I don't know what's going on, but rest assured there are schools popping up in Calgary-South East. Families are delighted. Number one capital ask by my constituents, and they've got it. It gets better because what my constituents also asked for was playground funding to be included in elementary schools. Our Education minister here got it done: \$250,000 so elementary schools will have playgrounds when they're built. It's just wonderful.

On insurance, yeah, the member rightly pointed out that we have prevented further rate increases until January of next year. That was in response to Albertans' rightful concern about the potential price increases on yet another category that they need to spend money on. But the core of the question was the \$6.6 million, which includes \$5 million in advertising related to the affordability measures, and this I do want to talk about in more detail.

Our advertising campaign, of course, plays a key role in raising the awareness of our relief measures under the affordability action plan. Advertising is also critical to ensure that eligible families and seniors understand the steps that they'll need to take to apply for

and receive the affordability payments. So an awareness campaign has been under way to ensure that all Albertans are aware so they can take advantage of the relief measures that are available to them.

Albertans have been hearing about the affordability programs on the radio. I'm pleased to hear that the members opposite remember them. It means it's working. It means it's driving more people, more Albertans, to the affordability supports that they need. They're seeing our ads on TV and online, and the member opposite highlighted the wonderful flyer that's been sharing information on affordability to every Alberta household across the province. Again, it's tremendous. I'm going to talk about the recognition numbers because they're very impressive, but the member opposite is a testament that it is working.

It's also important that we advertise this because we want Albertans to avoid scams and safely access these supports. Without an advertising campaign Albertans most in need may miss the opportunity to access some of these benefits, especially with all the misinformation floating out there. Again, one day you hear no schools are opening, and the next I'm in my constituency opening three schools over three days, so I think it is important that we do advertise to break through the noise and to get truth to Albertans from time to time.

That campaign, which is in this \$6.6 million, runs from January 11 to April 30. It has a budget of \$5 million, and the campaign has been remarkably effective, showing excellent performance metrics to date. Just to give you some stats: our digital ads have generated about a million clicks, five times the benchmark rate for comparable ads. Our online videos have a high view rate of over 90 per cent. The benchmark: 75 per cent. Our Facebook ads have seven times the average click rate. Seven times. Our ads on YouTube, they've got a view rate of over 92 per cent. The benchmark is 50 to 55 per cent. On this side of the House, as with economy and jobs and energy, we like to excel. Our metrics on this advertising campaign are off the charts.

8:00

I'm glad, because there is an affordability crisis, there are inflationary pressures, and Albertans need the support. I'll remind you that we've provided affordability supports to virtually all seniors 65 and up in this province, \$600 over six months to help off-set significant inflationary pressures. We've also provided those affordability supports to Albertans on our core support programs. That would, of course, include AISH and people receiving services under PDD, income support recipients, and also everybody who's on the Alberta seniors' benefit. Families, because of the number of dependants, groceries, everything is hitting them very hard. We also made sure that the vast majority of families with dependent children would get \$100 per month per child for the next six months. I can tell you that back in my constituency they need it. I've been hearing every day about how much of an impact that's made in the lives of seniors and children, for my colleagues, especially the Minister of Seniors, Community and Social Services, talking about how much it's helped our seniors and Albertans on core support programs. It couldn't come at a better time.

It's also a reminder that we do need to share this news because Albertans don't just need the supports; they need some hope and optimism in what is a very challenging time. Sometimes they hear that there isn't anything available for them, and I think that's unfortunate because there's no need to fearmonger in a crisis. There's no need to spread misinformation. It doesn't help anyone.

Again, I just want to go over our affordability program. We also touched on the electricity rebates. That's a billion dollars of support, providing 2 million homes, small businesses, and farms relief on high electricity prices for 10 months, an average of \$50

directly off their bill at a time of extreme, you know, rates in electricity and volatility and a pretty cold winter.

The member also touched on disasters, the most recent disaster being, of course, them in government. On May 29 I'm looking forward to a brighter future for Albertans. With that, I'll cede my time.

The Chair: The hon. Member for Edmonton-Rutherford. Would you like to combine your 10 minutes?

Mr. Feehan: No.

The Chair: It's all you. Go ahead.

Mr. Feehan: No point. No good answers.

I appreciate the opportunity, Madam Chair, to speak to this supplementary supply because it gives me a chance to, you know, point out the cynical nature of the government that has spent years cutting. Literally we just listened to the Minister of Finance and Treasury Board talk about all the opportunities they took earlier in their time here in the House to cut, cut, cut. Then suddenly they want to be rewarded for giving back small, little pieces here.

You know, when somebody comes and takes things away from you and then says, "Well, we'll give you a little bit back of what used to be yours anyways," it's not generosity; it's cynicism. I find it very discouraging to see this government has suddenly seen the light at the end of their term. Now here we see them actually using taxpayer dollars to pretend that they didn't take all this away from the citizens of this province and that somehow they're being kind and generous in return.

But it's not what's really happening. You know, the minister stood up and said that we were spending more on government services than other provinces, but he never stops to say why that might have been, that we were spending more. Perhaps if he'd done some analysis on this, he'd realize that we really are an oil-based economy, which means that wages in this province are significantly higher than in most places in the country because oil and gas tends to pay higher wages.

When that happens, that also then pushes up the wage demands across the board. It's not that we were spending more. We happened to be a fortunate province that could give people more, and we were recognizing that the nurses who went and spent four years at university to get a degree should at least be paid as much as somebody who just got out of grade 12 and was driving a truck in an oil field. That's why wages were high. When he says, "We brought that down," what he's really saying is, "We found a way to suppress the wages of Albertans." That's what he's saying. "We found a way to take money away from you without looking like we're taking money away from you," which is essentially the consequence of his behaviour.

They only tell you part of the truth, and the same is true about what's happening with this budget. They're telling you, "Oh, we put in all these kinds of things." The minister just stood up and talked about opening schools in his riding, but what he doesn't tell you is how many schools he didn't do for three years and 10 months. All of a sudden they're opening schools, and they're doing other things in every ministry. They can all talk about the things that they're doing now, but they started by cutting and cutting and cutting. They cut health care, they cut education, they cut all of our public services, and now suddenly they want a pat on the back because they're giving just small, little increments back, and that's really not acceptable.

Not only that; they're using your dollars as a citizen to try to buy your vote by putting out advertisements just before an election using government funds, using about \$6.6 million to convince you

of only partial truths. Those partial truths are that we're giving you back a small, little segment of that which we took away from you for three years and 10 months, and now at the last minute we're going to slide a little back to you and hope that you forget that the whole intention of this government, their *raison d'être*, has been to take money away from the citizens of this province, just like they did when they deindexed AISH, just like they did when they deindexed our income taxes, just like they did when they took the cap off utility rates, just like they did when they took the cap off insurance rates, and all the other things they did to increase costs, so you can't even go for a walk in Kananaskis now without paying them.

That's what they did for their whole term, take money away from the citizens, make life more expensive. And then, suddenly – oh, my goodness – they see the light, they've been found, and now here they are, bragging to the citizens that: after having attacked you for almost our whole term, we're going to turn that around, and we're going to use your money to convince you that that's what we've done. You know, if you want to create cynicism in the populace, you have found the perfect formula for doing that. You do that very well. You create cynics all the time, and I want to congratulate you; I've never seen a government that did a better job at that.

You know, I find it very discouraging that here we are, yet again, seeing the government actually use the resources of the province of Alberta against the people of Alberta by creating an advertising campaign that is really about them trying to convince the population to ignore 90 per cent of their time in government and pretend that somehow they are concerned about you after increasing your rates, taking your drug coverage away, after causing everything to be more expensive, after suppressing wages.

Suddenly, now: "We really care about you," they say. Well, I can tell you that, you know, if that plays in the public, that's a very sad commentary on what they believe about Albertans. It's a sad thing to stand up and to act in this kind of way and expect to be rewarded for it, expect somehow to pull out of this a victory that is really about your own self-interest as a government and not about the well-being of the citizens of this province. It's very discouraging to see a government do this kind of thing and do it repeatedly, over and over again.

8:10

If we have a problem with affordability in this government, it is on the hands of this government that this has happened. The fact that they are trying to rectify that just tells us that even they recognize what they did was wrong, that the problems that they created with their policy are shameful. Apparently they do have a bit of shame. They know they can't go out and face the electorate at this particular time without somehow changing what they actually did, without actually reversing their policies because their policies were, really, repugnant policies.

I'd really like this government to stop using government funds, to stop using \$6.6 million of the money of the citizens of this province, who could use that money for other kinds of things. This follows in line with lots of other ways in which they've used government monies for their own individual purposes. I mean, here we are almost four years later, and none of us still know what the war room does. None of us have ever seen anything positive or useful come out of that. Not only that; they set it up so that we couldn't even ask questions about it. We couldn't be here in the House to say, "What has this war room done?" because whatever it is they have done is something that this government knows they will be ashamed to tell the public. Of course, they should be ashamed. It's a horrible use of public money to shuffle it off quietly to their friends and not tell the public where it's going and not even

allow the people of this province to ask the government where that's going. Why would you act in any kind of behaviour that you had to keep hidden? That's a deceitful kind of approach to governance.

I really find it unacceptable that this government has chosen to go in that direction, that they've chosen to hide the truth from the citizens of this province because they see personal gain in the direction that they're going here and hoping that people just won't be informed enough about this to know that their own monies are being used against them and that the troubles that they're experiencing now with affordability have often been exacerbated by this particular government.

I'm coming close to the end of my time in this House, and I leave this House very discouraged that government has gotten to this place, that we see a government that is not seriously concerned about the well-being of people in this province and is only concerned about maintaining their own position and their own status. You know, for three and a half years I appeared in estimates and asked the Minister of Indigenous Relations about the cutbacks . . .

The Chair: The hon. Minister of Finance.

Mr. Toews: Thank you, Madam Chair. I just have to respond to a number of the, again, assertions the member opposite has made not only around the supplementary estimates but fiscal management, because I have to say that back in 2019 we inherited a fiscal train wreck. We've used that phrase here before in the last few years, but it was true. We were spending \$10 billion more according to Dr. Janice MacKinnon, a previous NDP Finance minister in the great province of Saskatchewan. According to Dr. Janice MacKinnon and her committee we were spending \$10 billion more and not getting better results. We embarked on a three-, really, four-year effort to thoughtfully and carefully, surgically, compassionately bring our spending in line, because you know what's not compassionate? When governments have no fiscal responsibility whatsoever. That means they're spending funds today at the expense of the next generation, and that's unacceptable to Albertans. We knew that. We were elected on that, to bring fiscal responsibility back to this province, and that's what we've done.

I have to say that the member opposite made the assertion that we had cut health care and education. Nothing could be further from the truth, Madam Chair. We made a commitment in 2019 to all Albertans that while we would bring this province back to fiscal responsibility, we would not cut health care and we would not cut education. Promise made, promise kept. We increased health care's budget every year. Every year. This year: nearly \$1 billion. We have maintained health care's funding. We have an Education minister who delivered in an exemplary way. She brought forward a new funding formula that put more resources in the classroom. It resulted in more efficiency in our education system, and now, last year, we increased the Education budget by over 2 per cent. This year it's an increase of over 5 per cent.

Madam Chair, we heard the assertion from the other side of the aisle that now, this year, in an election year, we can increase spending. Well, you know why we can do this? It's because we brought fiscal responsibility to the province. We've done the heavy lifting together, and now we can increase funding to programs, to ministries in keeping with population growth and inflation. Why? Because we brought this province to sustainable spending.

You know, Madam Chair, we hear the members opposite talk about the price of oil. Tell me what the price of oil has to do with bringing expenditures in line. It does not impact, short of a few dollars for the Minister of Energy to cover the cost of selling oil. What we're doing is ensuring our spending is sustainable, because

Alberta can no longer afford to be an outlier. That was the principle that we used. That principle governed our fiscal decisions for three years, and now we as Albertans broadly can benefit from that heavy lifting, and we can ensure that we're building additional schools, twice the number of schools that the NDP built or upgraded during their term. Why? Because we brought this province to fiscal responsibility.

Madam Chair, I have to point out one other piece, and it's important. Again, certainly Albertans in Grande Prairie-Wapiti but Albertans broadly wherever I travel across this great province are concerned about fiscal responsibility because they know this, that in order to ensure that we have sustainable programming into the future, a world-class health care system for our children and our grandchildren, a world-class education system for the next generation, it means that we have to have sustainable spending in our programming. It's vitally important.

I asked our officials in the Department of Treasury Board and Finance about if we had continued on the spending trajectory of the members opposite when they were in government, considering population growth and inflation. The response was this: we would be spending \$6.5 billion more per year, with a \$4 billion deficit instead of a 2 and a half billion dollar surplus. And here's the thing, Madam Chair, the members opposite were spending all that money and not getting any better results.

I have to commend my colleagues on this side of the aisle for reforming program delivery. That's what they've been doing to ensure that we're respecting taxpayer dollars, to ensure that the next generation can have a world-class health care system, that the next generation can have a world-class education system.

Madam Chair, I'm going to look forward to my colleagues rising – the ministers of Health, Energy, Education, Justice – and talking about what they're doing in their ministries as it relates to this supplementary appropriations bill, because we're delivering on behalf of Albertans to ensure that our spending is sustainable.

Madam Chair, we heard the assertion that somehow we have dealt unfairly with our union partners, and that is simply not the case. We have a principle on this side of the House that we cannot afford to be a spending outlier. We worked hard, we worked co-operatively, constructively with our union partners, and we got to a collective bargaining agreement with all of our major union tables. We did that without one day of work stoppage, without one strike. We did that with union members, in most cases, ratifying those agreements with the vast majority of members. While our RN remuneration is broadly in line with other provinces, Alberta still pays the highest. That's where we should be because we're working to attract our health care professionals into this province.

8:20

Madam Chair, I have to also say that, you know, part of the equation here is not only ensuring that we're delivering responsible fiscal management on the bottom half of that income statement, the expenditure side; the other half relates to positioning the province for competitiveness, for investment attraction, for economic growth, diversification, which leads to expanded fiscal capacity and increased government revenues. That's happening in this province today.

Alberta is leading the nation in real GDP economic growth. Our economy is diversifying at rates I've not seen in my lifetime. All of that is leading to a more stable revenue structure for Albertans. All of that is leading to increased revenues, Madam Chair. All of that is ensuring the next generation has a future in this province.

Madam Chair, there were, again, some comments around insurance in this province. I will absolutely concede that insurance premiums are high across the nation, across the western world, but

this government is taking action. The members across the way had one move and one move only, a rate cap. That constitutes all of the innovative, creative . . . [interjections]

The Chair: Order, hon. members.

Mr. Toews: . . . thinking that is on the other side of the House, a rate cap.

Madam Chair, a rate cap of any kind, for any length of time, results in a lack of product offerings. [interjections]

The Chair: Order.

Mr. Toews: Madam Chair, we have temporarily requested the rate board to pause increases in insurance premium requests by insurers so that we can work with the industry to find additional solutions, and we're doing that, like we did in Bill 41. We dealt with some of the systemic issues that were adding costs to our automobile insurance system. We clarified the definition of a minor injury. We worked on additional measures that resulted in more care for injured Albertans. All of this has resulted in lower premiums than what they would have otherwise been.

In fact, in the last two years, since Bill 41 was implemented, automobile insurance rates have gone up, on average, 1.4 per cent per year. That's not bad, considering we've been in a time of high inflation, Madam Chair. But we're not done yet. We continue to work with the industry on finding additional solutions.

Madam Chair, our tenure in government around fiscal management is about sustainability. It's about putting this province on a trajectory where we're not robbing from the next generation, and mission accomplished with Budget '23.

The Chair: Just a reminder to all members of this House, particularly Edmonton-Rutherford, Edmonton-Beverly-Clareview, and Edmonton-North West, that there are ample amounts of speaking time for all members to have their opportunity at the floor, just as the hon. Member for Edmonton-Beverly-Clareview is rising to do right now for his 10-minute block.

Would you like to share your time or take it all?

Mr. Bilous: No. I'm going to follow in the footsteps of the majority of the ministers on the other side, and I'll take block time.

The Chair: Go ahead.

Mr. Bilous: Well, Madam Chair, as was clearly just evidenced by my colleague on the opposite side, one can say whatever they want in this House regardless of how close to the truth or far from it it may be. Now, I'll talk about the fact that the whopper in the room is that this UCP government, under my respectable colleague on the other side, introduced the largest deficit budget in their first year, approximately \$12 billion, larger than any NDP deficit budget.

When the minister talks about fiscal responsibility, I'd like to remind my hon. colleague of their first budget. What we're talking about here – I will clarify. [interjections] I will welcome all of the heckles from the other side. The balanced budget was reliant on the global price of oil, which was over \$100 per barrel. A hundred dollars per barrel. Well, between 2015 and 2019 the global price of oil dropped below \$27 per barrel, Madam Chair. My friends on the opposite side can spin as much as they want. The reality is that the reason the government has a balanced budget is because of the global price of oil and the war in Ukraine. It has nothing to do with the management of Alberta's finances.

Now, what's interesting, Madam Chair, is that for years under this government they followed suit from many previous governments,

which was to slash and burn for the first three years, and in the fourth year you throw some money back at a few ministries and claim: “Look how good we are. We’ll just do this. We’ll just pat ourselves on the back because we’ve restored a fraction of the dollars that we’ve cut.” [interjections] You know, I’d appreciate it if the members opposite would allow me the opportunity to speak.

The other irony, Madam Chair, that I hope all conservatives, not only in Alberta but across this country, pay attention to is that this is the largest government that Alberta has seen, with almost 30 cabinet ministers and about 35, in total, parliamentary secretaries. For a government that claims to be in favour of small government, the irony is that this is the largest government that the province has ever seen. [interjections] I appreciate that one of the ministers is chirping. It’s okay, sir. Soon enough you’ll be out of a job.

The point is that for a government that claims to be in favour of small government, they’ve done the complete opposite, because in 2015 there were the fewest cabinet ministers and the smallest government that Alberta has seen, under the NDP. [interjections] Chirp away, my friends. Chirp away.

This budget – and I appreciate that the hon. Finance minister is getting up to respond. Madam Chair, I will say, through you, to the Finance minister that I do respect him, and I do respect the work that he’s done. What I will say is that \$6.6 million has been allocated to advertising. I want to remind Albertans that that’s in addition to, in Budget 2023, so outside of sup supply, another \$3.5 million. So now we’re at \$10 million for advertising. The election laws in this province limit provincial political parties to a \$2 million budget during a 28-day campaign. This government has just given themselves five times that amount to advertise in the next 40 days.

If the shoe was on the other foot, the members on this side of the House would be screaming “hypocrisy.” Screaming. How do I know, Madam Chair? I’ve been in this House longer than any member who’s currently sitting in this House, the third-longest sitting member. I appreciate when members use the argument . . .

Mr. Williams: Point of order.

The Chair: The hon. Member for Peace River on a point of order.

Point of Order

Referring to the Absence of Members

Mr. Williams: It’s concerning members opposite highlighting who is and isn’t in the Chamber. As the member knows, it’s inappropriate to be drawing attention to that, and we ask that he withdraw the comment and apologize.

The Chair: The hon. Official Opposition House Leader.

Mr. Sabir: Thank you, Madam Chair. I didn’t hear the standing order that he raised the point of order under, but what the member said was just a matter of fact, that he’s the longest standing member in this Legislature. If there is anybody who has served more years, sure, they can share that and correct the member. But it’s a fact that the member is the longest serving member in this Legislature at this time. So it’s not a point of order.

The Chair: I’m not sure creativity is what we’re aiming for in defending these points of order. The hon. member knows what to do.

Mr. Bilous: Madam Chair, I’ll retract that comment.

The Chair: Thank you.

Mr. Bilous: I’m the third-longest serving member in this Chamber.

The Chair: Please proceed.

8:30

Debate Continued

Mr. Bilous: Thank you, Madam Chair. I believe I only have a couple of minutes left.

The issue that I have with supplementary supply is the dollars that are allocated to advertising on the eve of an election. If I recall correctly, ahead of the 2015 election members of the opposition were screaming at the government for spending dollars and making announcements leading up to the election, calling for a ban on it, yet what I hear from the government currently is crickets, that suddenly because the shoe is on the other foot, it’s okay. I’ll be the first member in this House to say that no government should be able to make spending announcements within a period leading up to the election. Let’s put all parties on equal footing. But what we have here is a sup supply budget that is giving the government an opportunity and the ability to spend five times what a political party, either side, can spend in the 28-day campaign.

I appreciate that government members will stand up and talk about the affordability measures. I will say for the record, Madam Chair, that adults without kids and parents with kids over 18 receive zero dollars, zero support. They’re also experiencing the high prices of inflation, yet they get no supports. I’d love to hear how the government and the Finance minister came up with this threshold and this criterion. How did the government cut out families without kids?

Everyone is suffering from inflation. I don’t care if you earn \$100 million or \$1 million a year – pardon me – or \$10,000 a year. Everybody is feeling the effects of inflation. We recognize that the low-income earners feel it the most, but in this, adults without kids receive no support. Parents with kids over 18: we all know, and I am sure if I asked members on the other side to raise their hands, how many of them have kids who are still living with them who are over 18, the majority would. We know, Madam Chair, that kids are living with their parents for longer and longer than they used to because they simply can’t afford to move out on their own. The supports that this government claims to give to all Albertans: in fact, it doesn’t give to all Albertans.

Honestly, Madam Chair, the issue that I have with this sup supply bill is primarily the fact that this government is spending \$10 million on advertising. The members opposite can chirp all they want. If the shoe was on the other foot, they’d be losing their mind about how this is buying votes, how this is undemocratic. Yet what’s disappointing is that I would expect that members would have a higher level of integrity than what’s currently being presented in this budget, because I’ve been through several terms as an opposition member, listening to the opposition talk about the government abusing its ability to spend taxpayer dollars to buy votes. Members, I appreciate a response from the minister, but that’s exactly what this \$10 million on advertising ahead of a general election looks like.

The Chair: The hon. Minister of Affordability and Utilities.

Mr. Jones: Thank you, Madam Chair. I’ve said it before – and I really believe it – that the members opposite are in unfamiliar territory, and it’s called a surplus. Unfortunately, it makes them desperate and incoherent. On one side the members opposite say that the only reason Alberta is in surplus, the only reason we can pay for health care and education is our world-class energy sector, but on the other side they want to shut it down. I mean, what an

awkward place to be socialists and antienergy. Alberta: what an awkward place to hold those ideologies.

They've also said that the only reason we've balanced the budget is because of revenues, but for three years they've been saying that we've been making adjustments to budgets and bringing things in line, and they've disagreed with those necessary fiscal adjustments. Again, you can't have it both ways.

Now, to the only question that was in that 10 minutes, the \$6.6 million advertising campaign. I forgot to mention that that's resulted in 1.2 million Albertans enrolling in the affordability payment program. Well, that tells me a few things. It tells me that affordability is a real crisis and that Albertans expect their government to act. When we put forward an assistance program, they jumped on it, and the more we advertised it, the more they jumped on it.

Now, let's compare that to the members opposite. In December 2016 they announced they were putting 4 and a half million more towards advertising their deeply unpopular climate strategy, bringing the total to \$9 million, advertising something that nobody wanted. They did get a million Albertans to show up, though. They got a million Albertans to show up to show them the door. So maybe in the grand scheme of things: well, money well spent. I'm not sure. I wish that that was the end of their bad advertising spends, but they also spent hundreds of thousands campaigning on their farm safety legislation and on power purchase agreements. I'm sorry, but why are you highlighting all of the areas where members opposite made significant errors on behalf of Albertans?

I just wanted to highlight that the \$5 million in advertising was to advertise the affordability suite, including the affordability payments. We've had just about 1.2 million Albertans enrol in that program, close to a million in three weeks. I think that's remarkable. I think Technology and Innovation and all the departments and ministries involved: my hat is off to them because they pulled it together very quickly. A great program.

I'll invite my colleagues to take the rest of my time, but I just wanted to highlight what the members opposite spent advertising on: you know, climate carbon tax, farm safety legislation that nobody wanted, and power purchase agreements that cost Albertans billions. Albertans responded to those advertisements by voting them out. This \$5 million is to address a very real cost-of-living and inflationary crisis, and Albertans have responded by onboarding on the programs to get support. I think that's wonderful for our seniors, our most vulnerable, and our families with dependent children.

The Chair: Sorry. Unfortunately, it's up to 10 minutes for a member of the government.

It will go to the hon. Member for Edmonton-Castle Downs. You have about four minutes.

Ms Goehring: Thank you. I'm honoured to rise tonight to talk about the supplementary supply 2023 estimates. I have to tell you that I've been sitting here listening to the Minister of Affordability and Utilities attempt to justify blowing \$10 million on pre-election advertising, including over \$6 million in his ministry, and I have to tell you that he is not selling it, Madam Chair.

On Friday I was at a military-business lunch with military and business leaders from across the province. There were a few things that were being discussed at this luncheon, but one of the things that kept coming up was the advertising spend. You know, Albertans are paying attention to what this government is doing, and this government seems to think that Albertans are just simply unaware that an election is coming up and that this is a last-ditch effort for this government to spend taxpayer dollars to advertise to the public. There were so many upset individuals on Friday talking about how

gross a use of funding this is, 10 million taxpayer dollars to simply promote what this government is saying is advertising for affordability. Albertans aren't buying it, Madam Chair.

8:40

You know, I listened to him talk about their affordability plan, and one of the things that's been brought up on our side of the House is the incredible number of Albertans that are being left out of this affordability plan – students, adults without kids, adults with children over the age of 18 still living at home – and I can tell you that he's not answering those questions. The money that they're spending on advertising pre-election should be spent on things that Albertans are talking about, things that are impacting Albertans. Health care: it seems that this government is saying that the health care crisis is over, yet we're hearing heartbreaking stories from all across the province of Albertans that are in health care crisis. They can't access family physicians. They're waiting incredible amounts of time to receive diagnostic imaging. There are things that this money should have been spent on, not on advertising right before an election.

Listening to the minister attempt to justify it, Albertans don't buy it, Madam Chair. He said: they don't have to. The proof in that will be on May 29, when Albertans get to really decide what is happening. Just listening to the conversations that are happening around kitchen tables all across the province, Albertans are very aware that this money that's being spent on advertising is a last-ditch effort to try and get Albertans to buy the messaging that they're selling. We watched them for four years attack doctors, nurses, teachers, and now they're coming out saying that, you know, they have all of these great ideas right before an election. Unfortunately, the attempt from this minister to justify the spending just isn't landing.

What's very clear is that this government is campaigning on the public dime. They're using taxpayer money to campaign. It's laid out right here in the supplementary supply estimates, \$6.6 million.

Thank you.

The Chair: Hon. members, we are now on our next round of questions. We will go to the government caucus for the next 20-minute block. We'll start with a private member of the government to ask questions of the government and go from there. Hon. Member for Sherwood Park, would you like to share your 10-minute block with the minister or take it all?

Mr. Walker: I think I would like to share time with the minister. It would be a great honour if the minister would oblige.

The Chair: The minister is very happy to do that. Please proceed.

Mr. Walker: Great. Well, thank you, Madam Chair. It's an honour to rise tonight to speak in supplementary supply, the estimates for 2023. It was a great honour as well to be a member of Treasury Board this past cycle.

I would say, too, that I'm really excited now to speak, through you, to the Energy minister on his own estimates here in supplementary supply. Just such a good story we're telling. It's my understanding that we've surpassed 2014 oil production levels. We are producing and exporting more energy, more Alberta oil to the world than ever before. What an amazing turnaround and a contrast just even from 2015 to 2019, when the former government devastated our energy sector. I would also say, as someone who represents the great constituency of Sherwood Park, Madam Chair, where the energy sector is foundational to my local economy and, of course, Alberta's economy, with three refineries and the Industrial Heartland, shared here with some other members – my

community produces 75 per cent of all petrochemicals in Canada, and my community produces two-thirds of all oil refined in western Canada. So this is very important to my community and all Alberta's prosperity.

I think I would begin with my question to the minister, Madam Chair. We all know that this past year has been very interesting for our energy sector given the sudden rise in global energy prices that occurred. Therefore, I am not very shocked to see that your ministry in particular has listed a decent amount of supplementary budget estimates in this document; however, a few do stand out for me.

Line item 3 on page 39 of the 2022-23 supplementary supply estimates shows that the cost of selling oil was \$337.6 million higher than the initial \$80.1 million estimate. As I previously stated, our oil sector was booming this past year. We've turned it around. It's just absolutely a great-news story. Investment has come back, and this government has been a big part of that: lowering the tax burden; making a light, predictable, regulatory environment; reducing red tape; et cetera. But I do want some clarity on this, Minister.

Question 1: can you provide a breakdown of the costs borne by this government that are associated with selling oil? Question 2 on this line of questioning: is it relatively common to see such a massive increase in these costs when oil prices are up, or did the suddenness of the price change account for some of these extra costs?

I think I'll start there as we go back and forth, Madam Chair.

The Chair: Wonderful.

The hon. Minister of Energy.

Mr. Guthrie: Yeah. Thank you for that, Member. You had mentioned off the top about production, and, yeah, I think right now we're around 4 million barrels a day in production. Our pipeline capacity is probably sitting around 4.5 million with TMX. As we heard, with the recent news coming online, that'll add another 590,000 to our capacity. With some optimization, that I think we're hearing from the industry, there could be another 350,000-plus that could come online, increasing our capacity to maybe somewhere around 5 and a half million barrels. So I think we've got a little bit of runway ahead of us there, maybe looking at, certainly, 10 to 15 years where that's concerned.

Now, as far as the cost of selling oil is concerned, it should be known that we made some changes over the last couple of years in the cost of selling oil. It used to be that we'd take oil in kind on the conventional side. We were only marketing about 10 per cent of that ourselves, and we were hiring out the other 90 per cent. Now, some of the costs that were borne there were going to be similar, but there also was a cost to paying for that service. One of the things that we did, through the use of APMC, was to start to market it in its entirety ourselves. That has provided us with some benefits, but as far as the balance sheet is concerned, it increases the cost of selling oil.

Now, this cost of selling oil reflects the high energy prices that we've seen and the benefits that it provides for Albertans. The cost of selling oil is relatively proportional to oil prices and production, both of which increased substantially since the budget was established. As you know, we've seen huge variability in prices over these last few years, which can make it difficult when trying to establish a firm price for the cost of oil. As prices increase, typically the volumes that are being off-loaded increase, and when those volumes increase, the total cost associated with marketing those barrels also goes up. The variable costs associated with that are pipeline tolls, crude oil and condensate purchases, trucking

expenses, and marketing fees. All Crown barrels move from the wellhead to market by truck or pipeline.

One of the things here that is important to know is that as the cost of selling oil is going up, that also means that we're receiving more revenue. That's a line item that we don't see here. Hence, we've had to have these adjustments. These what look like large adjustments in the cost actually mean that the differential for us on the revenue side is increasing, which is a good thing for us.

Now to your second question. The cost of selling oil reflects the high energy prices that we've been seeing, as mentioned, and the forecast increases in crude oil prices are driving up the forecasted producer royalty volumes. Per the mid-year fiscal update, producer royalty volumes were forecasted to increase at approximately 69,700 barrels per day from budgeted volumes of approximately 14,300. Obviously, along with that, you're going to get a significant increase in the cost of selling oil when you establish a volume increase like that. So the increased royalty volumes just give rise to the increase in crude oil pricing.

8:50

The Chair: The hon. member.

Mr. Walker: Well, thank you to the Minister of Energy, I would say through you, Madam Chair, for those informative answers.

What I'm hearing and what is so great and my constituents are so happy to hear is that through supporting our energy sector – and we're experiencing great, prosperous times in part because we're also supporting our wonderful energy sector – we were able to put forward and table, as we're seeing here tonight, a fiscally responsible budget that helps Albertans on affordability, on health care and education while also balancing the budget. I'm so proud, and it's so great to learn – I would also say that I'm so happy that we're now producing record levels of energy, including oil, here in Alberta. This is a great story, and in this moment we're in, in the current world order, Alberta needs to continue to be the energy arsenal of democracy across the world, to be the supplier of preference for places such as Europe, Japan, east Asia, especially in light of the unlawful invasion of Ukraine by Vladimir Putin. So I call on every member of this House to support that position.

We need pipeline capacity to British Columbia, through Canada, across the North American grid to supply our allies and partners around the world, east Asia, and Europe, which also, through LNG and hydrogen – I would say through you, Madam Chair, to the minister – lowers carbon emissions. It's a win-win all the way around. Let's support Northern Gateway. Let's support Energy East.

On-site rehabilitation, Minister: this is another interesting topic. Now, this can be found on line 4.1 on page 39 of the same document. The supplementary estimates for this program are \$278.6 million higher than the initial estimate of \$297.2 million. I understand, from looking back now to page 38, that some of these extra expenses were the result of revised federal program time frames. A couple of questions here. Could you expand on these revised time frames and why the federal government felt them to be necessary, and could you also expand on how many of these extra costs were caused by revised time frames and how many were the result of other factors? I'll go from there. Yeah.

The Chair: The hon. minister.

Mr. Guthrie: Yeah. Thank you for that. This program was a huge success and actually came in a time when Alberta really needed it. The site rehabilitation program has been a big success, with approximately a billion dollars of federal oil and gas relief funding. We don't usually get too much from the federal government, but we were certainly happy to get this, and this helped to put Albertans

back to work by speeding up well, pipeline, facility, and site closure efforts in the energy sector. We saw this afternoon with I think it was Motion 505, that the opposition had put forward – it was about having no incentives ever in a sector, and that would have included this SRP, which was a big success. We had negative oil pricing at that time. We needed to put Albertans back to work and to try to keep companies afloat, and that's what this program did.

Alberta Energy, though – back to your question – had requested an extension for work to be completed in the program given that there were several issues of delay, the main one being weather and a late winter freeze-up as well as labour availability. It all impacted the amount of closure work that was available to be completed. So their request was granted, and an extension of 45 days from the original timeline for the work to be completed came through in '22 and early '23, including additional abandonment work after that freeze-up. This resulted in additional sites having closure work take place, continued support for oil services companies, and continued work with Indigenous communities and companies participating within the program.

To your second point and the success of this program, you know, we had some federal government extensions that were required over the original work. The completion deadline, I believe, was supposed to be December 31, 2022. We had to extend that out slightly, and while it was not possible to exactly pinpoint the impacts of these actions separately, there was combined impact that led to an increase in the number of applications in the fourth quarter, but in doing so, it did allow us to fill the full \$1 billion allocation. Due to the increase in these applications and approval for grants, the program closure date we ended with was February 14 of this year, where the additional funds are allocated.

The Chair: The hon. member.

Mr. Walker: Thank you so much, I would say through you, Madam Chair, to the minister for those questions. I have a better understanding of the site rehabilitation topic here as it relates to the questions I asked.

I now want to move to petchem, again, another big Alberta success story in my neck of the woods with the Industrial Heartland. I've been so happy to see the great relationship we've had with the Industrial Heartland Association – a big shout-out to its executive director, Mark Plamondon – and just working with them to really bring about continued, sustained prosperity for the Industrial Heartland. It's one of our many economic gems that drives prosperity right across our province. You're talking roughly around 40 companies with \$40 billion of investment already existing there since it was established in 1997, an amazing story.

I would just say that over the term of our government, through APIP, through the DIZ designation as well as the special municipal property taxes, we have made sure that the Industrial Heartland and our petchem industry in general remains globally competitive as we compete for capital across the world, particularly with the Gulf coast.

Speaking specifically to the petrochemical initiative here, as per the supplementary supply estimates, it's another very interesting program, Minister. We can see it detailed on line 4 on page 39 of the supplementary supply estimates, and I noticed that an additional \$10.8 million was allocated to this program despite there being no initial estimate. So two questions, Minister. Could you expand on this program and what it entails in general . . .

The Chair: Through the chair.

Mr. Walker: Through the chair, of course.

And, secondly, why was this program not included in the 2022-2023 budget, and why did it become important to fund later on, through the chair?

The Chair: Thank you.

The hon. minister.

Mr. Guthrie: Yeah. Thanks. The Alberta petrochemicals incentive program, or APIP, you know, makes us very competitive in bringing in, too, long-term investments and thousands of jobs to the province. APIP stands ready to invest 12 per cent of capital cost for any petrochemical facility that's going to use natural gas as a feedstock.

I can tell you that in travels that I've had recently, going to Norway and Germany and down to the States, and talking about this particular program, it has generated a lot of interest. People sit up and take note when you're looking at a program that's going to be covering 10 to 12 per cent of capital cost.

And then we start talking about carbon capture and the availability of pore space and the great work that we've done here and the fact that we have two functioning carbon capture facilities. One is Shell Quest, that started in 2015, and then the Alberta carbon trunk line in 2019, both of which have, I think, together sequestered over 10 million tonnes of carbon dioxide, and they're doing about 2 and three-quarter million tonnes a year going forward. When we start talking about all of these things that are going on here in Alberta and how far we are talking about emissions reductions and methane reductions, it really has perked the interest of not only companies wishing to come here but also financial institutions.

9:00

Projects must meet several criteria, to answer your question. The project must be physically located in Alberta, of course. The capital cost must be at least \$50 million. The facility must use natural gas, natural gas liquids, or petrochemical intermediates such as ethylene, propylene, benzene, et cetera, in the manufacturing of its own products. The project must create permanent jobs in Alberta. An eligible project with a capital investment greater than \$150 million must complete construction and declare to be in service within the 10-year time frame from the launch of the program. For these types of programs the full amount of the earned grant will be paid over the expiry of the program in three equal instalments over a 36-month period. So the company that's investing is coming here, they're putting in all of their costs, they are employing all those construction workers, they get the facility up and running, and then Alberta puts in its money a year after the fact and then three equal instalments thereafter. That investment is made. They're not going anywhere. They're right here in Alberta, and they're taxpayers by the time we start putting our money in, so it's well worth it.

Our dedicated production facilities are eligible, so that means, too, that the midstream refining, storage, transportation, and ongoing maintenance costs are not covered under the program. New facilities that are brownfield, debottlenecking, and expansions to existing facilities will be eligible, so costs eligible for reimbursement under APIP are related to manufacturing and processing capital expenditures.

To your second point, through the chair, Madam Chair, APIP is already proving successful. You know, as a result, actually, of the first funding payment, that's what we're seeing here for Dow Chemical's capital project. That's what we're seeing reflected here. In the future we are going to see some others, like Inter Pipeline's heartland complex, Air Products. I think you will recall that announcement. Through the chair, you will recall the \$1.6 billion project that they announced to supply hydrogen to Imperial

and Dow Canada in Fort Saskatchewan. These ones are going to come through . . .

The Chair: Hon. members, that concludes the government caucus time.

We will now move on to the 10-minute blocks combining time or going back and forth between the Official Opposition, independent members, and private government members. Just a reminder to direct your comments through the chair, not directly towards each other, and that we are debating supplementary supply estimates. It's the green book. If anyone needs a copy, I'm happy to get a page to bring you one. I look forward to the debate for the rest of this evening. We'll now look to members of the Official Opposition to kick us off in the next 10-minute block, with speaking time of up to five minutes.

Seeing none, any members of the government caucus?

Seeing none, I will call the question.

Vote on Supplementary Supply Estimates 2022-23 General Revenue Fund

The Chair: We shall now proceed to the final vote on supplementary supply estimates. Those members in favour of the resolutions for the 2022-23 supplementary supply estimates, general revenue fund for the fiscal year ending March 31, 2023, please say aye.

Hon. Members: Aye.

The Chair: Any opposed? That is carried.

Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Any opposed? Carried.

Mr. Williams: Madam Chair, I move that the committee rise and report the 2022-2023 supplementary supply estimates, general revenue fund.

[Motion carried]

[The Deputy Speaker in the chair]

The Deputy Speaker: The hon. Member for Sherwood Park.

Mr. Walker: Thank you, Madam Speaker. The Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again. The following resolutions relating to the 2022-23 supplementary supply estimates for the general revenue fund for the fiscal year ending March 31, 2023, have been approved.

Advanced Education: financial transactions, \$11,626,000.

Affordability and Utilities: expense, \$354,932,000; financial transactions, \$254,236,000.

Agriculture and Irrigation: expense, \$2,750,000.

Children's Services: expense, \$7,200,000.

Culture: expense, \$1,088,000.

Education: expense, \$81,937,000.

Energy: expense, \$636,218,000; capital investment, \$500,000.

Environment and Protected Areas: expense, \$68,399,000.

Executive Council: expense, \$5,938,000.

Health: expense, \$553,221,000.

Indigenous Relations: expense, \$9,688,000.

Infrastructure: expense, \$11,230,000.

Justice: expense, \$91,937,000.

Mental Health and Addiction: expense, \$21,130,000.

Public Safety and Emergency Services: expense, \$50,052,000; financial transactions, \$1,000,000.

Seniors, Community and Social Services: expense, \$46,771,000.

Service Alberta and Red Tape Reduction: expense, \$2,000,000.

Technology and Innovation: financial transactions, \$25,000,000.

Treasury Board and Finance: expense, \$753,000,000.

9:10

Committee of Supply has also approved the following amounts to be transferred.

Transfer from Technology and Innovation: expense, (\$2,069,000).

Transfer to Service Alberta and Red Tape Reduction: expense, \$2,069,000.

Transfer from Forestry, Parks and Tourism: expense, (\$2,000,000).

Transfer to Agriculture and Irrigation: expense, \$2,000,000.

Transfer from Technology and Innovation: capital investment, (\$20,111,000).

Transfer to Service Alberta and Red Tape Reduction: capital investment, \$20,111,000.

And everything to Sherwood Park. No, I'm joking.

Thank you.

The Deputy Speaker: Hon. members, does the Assembly concur in the report? All those in favour, please say aye.

Hon. Members: Aye.

The Deputy Speaker: Any opposed, please say no. That is carried.

Introduction of Bills

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

Bill 12

Appropriation (Supplementary Supply) Act, 2023

Mr. Toews: Well, thank you, Madam Speaker. I request leave to introduce Bill 12, the Appropriation (Supplementary Supply) Act, 2023. This being a money bill, Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of this bill, recommends the same to the Assembly.

Bill 12 will provide authority for government to pay from the general revenue fund for additional costs that are not already covered or otherwise provided for during the current fiscal year. I ask all my colleagues in this Legislative Assembly to support the bill.

[Motion carried; Bill 12 read a first time]

Mr. Williams: Happily, Madam Speaker, I move that the Assembly adjourn until 1:30 on Tuesday, March 21.

[Motion carried; the Assembly adjourned at 9:13 p.m.]

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