

Province of Alberta

The 28th Legislature Second Session

# Alberta Hansard

Wednesday, March 5, 2014

Issue 3a

The Honourable Gene Zwozdesky, Speaker

### Legislative Assembly of Alberta The 28th Legislature

Second Session

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#### Party standings:

Progressive Conservative: 60

Alber

Wildrose: 17

Alberta Liberal: 5

New Democrat: 4

#### Independent: 1

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| Wayne Drysdale Minister of Transportation  |     |
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| Greg Weadick Associate Minister – Recovery and Reconstruction for Southeast Albert   | rta |
| Teresa Woo-Paw Associate Minister – International and Intergovernmental Relations  |     |

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

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

Chair: Mr. Amery Deputy Chair: Mr. Fox

DorwardPastoorEggenQuadriHehrRogersKubinecRoweLemkeSarichLuanStierMcDonald

#### Standing Committee on Legislative Offices

Chair: Mr. Jeneroux Deputy Chair: Mr. McDonald

| Bikman   | Leskiw |
|----------|--------|
| Blakeman | Quadri |
| Brown    | Wilson |
| DeLong   | Young  |
| Eggen    |        |
|          |        |

#### Standing Committee on Public Accounts

| Chair: Mr. Anderson |                 |  |
|---------------------|-----------------|--|
| Deputy Cha          | ir: Mr. Dorward |  |
| Allen               | Khan            |  |

Amery Luan Barnes Pastoor Bilous Sandhu Donovan Sarich Fenske Young Hehr

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

Chair: Mr. Casey Deputy Chair: Mrs. Jablonski

AmeryKhanBarnesSandhuDorwardShermanEggen

#### Special Standing Committee on Members' Services

Chair: Mr. Zwozdesky Deputy Chair: Mr. VanderBurg

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

#### Select Special Ethics Commissioner Search Committee

Chair: Mr. Rogers Deputy Chair: Mr. Quadri Blakeman Leskiw

Eggen McDonald Goudreau Saskiw Lemke

# Standing Committee on Private Bills

Chair: Mr. Xiao Deputy Chair: Mrs. Leskiw

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

#### **Standing Committee on Families and Communities**

Chair: Ms Olesen Deputy Chair: Mrs. Forsyth

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

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

Chair: Ms Kubinec Deputy Chair: Mr. Rogers

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

# **Standing Committee on Resource Stewardship** Chair: Mr. Khan Deputy Chair: Mr. Anglin Allen Goudreau

Hale

Xiao

Young

Johnson, L.

Webber

Bikman

Blakeman

Calahasen

Bilous

Brown

Casev

#### Legislative Assembly of Alberta

1:30 p.m.

Wednesday, March 5, 2014

[The Speaker in the chair]

#### **Prayers**

The Speaker: Good afternoon, hon. members and guests.

Let us pray. Dear Lord, fill us with strength to labour diligently and with wisdom to speak clearly. Give us courage to speak thoughtfully and conviction to act boldly without prejudice. For this we pray. Amen.

Please be seated.

#### Statement by the Speaker

#### **Standing Order Amendments**

**The Speaker:** Hon. members, just before the Clerk calls the next item of business in our Routine, I want to alert you to the green sheets that you will find on your desks, which were distributed earlier by our pages. Please note that these are the amendments to the Standing Orders that were approved yesterday by this Assembly following approval of Government Motion 7. These amendments are relevant and are immediately applicable for consideration of supplementary estimates later this afternoon.

Thank you.

#### **Introduction of Guests**

**The Speaker:** Let us begin with school groups, starting with the MLA for Calgary-Glenmore.

**Ms L. Johnson:** Thank you, Mr. Speaker. It is my pleasure to rise today and introduce to you and through you to all members of the Assembly 40 young, energetic individuals from Nellie McClung elementary school and their escorts. The school is located in the community of Palliser and serves the communities of Palliser, Bayview, Pump Hill, and surrounding areas. The students just finished a science fair, are writing and producing their own plays, and are welcoming a dance company soon to the building. This busy school offers programs of choice and activities that help build the community in Calgary-Glenmore. They are seated in the members' gallery. I would like to ask all the guests to please rise and receive the traditional warm welcome of the Legislature.

**The Speaker:** The hon. Member for Edmonton-Meadowlark or someone on his behalf.

**Ms Blakeman:** Well, Mr. Speaker, I'm so excited about this school that I have sort of snatched the introduction away from my hon. leader. I am very pleased to introduce to you and through you to all members of the Assembly 40 students, that are here with us today, from Annunciation school. They are here with several teachers and group leaders: Mrs. Maureen Ostrowerka, who is the grade 6 teacher; Mrs. Michelle Padilla; Mrs. Linda Girard; and Mr. Chris Koper. Sorry about the mispronunciations, anybody. I'm sure *Hansard* will fix it. Would you all join me, please, in welcoming these great students to our Assembly?

The Speaker: The hon. Member for Edmonton-Strathcona.

**Ms Notley:** Well, thank you very much, Mr. Speaker. I am also pleased to rise to introduce to you and through you to this Assembly 24 visitors from the Academy at King Edward school,

consisting of, I believe, 21 very bright and super hard-working grade 6 students. I was very pleased to be able to go the academy this September to read to a bunch of students The Story of Mouseland, written by Tommy Douglas, and I recall some really excellent discussions at the time. They are joined today by their teachers, Peter Beairsto and Maureen Munsterman, and by parent helper Leanne Howard. I would ask that they all now rise to receive the warm welcome of this Assembly.

The Speaker: Are there any other school groups?

If not, let's move on, then, and welcome the Associate Minister – Recovery and Reconstruction for Southwest Alberta, please.

**Mr. Fawcett:** Thank you very much, Mr. Speaker. It's an honour today to rise and introduce to you and through you to all members of this Assembly two very important people, and that's not just because I'm married to their daughter. My mother- and father-in-law are here today from Calgary, Ken and Heather Miller, and this is all made possible because Ken just retired a week and a half ago from 38 years as an engineer at ExxonMobil. Heather is a public health nurse with Alberta Health Services. They've been a great support to me and Ashley as we've gone through this great journey of being an MLA, and I do want to thank them for that support as well as thank them for raising such an amazing daughter. So I would ask that they rise and receive the traditional warm welcome of this Assembly.

**Mr. Denis:** Mr. Speaker, that's a very hard act to follow. It's a pleasure of mine to introduce to you and through you to all members of the Assembly a good friend of mine and a resident of the beautiful constituency of Calgary-Acadia, Dr. John Rook. Dr. Rook is the former president and CEO of the Calgary Homeless Foundation, and as president he was responsible for overseeing the implementation of the 10-year plan to end homelessness. He has a PhD from Oxford University and a long history of service to his community. From 2004 to 2010 he was the chief executive officer of the Salvation Army community services. He also has an extensive teaching background as an adjunct faculty member at the U of C since 2008 and an associate professor at McMaster University – he's an incredible gentleman – and he's also taught at Booth college as well as Ambrose University College. Dr. Rook, please rise and receive our traditional warm welcome.

The Speaker: The hon. Associate Minister of Public Safety.

**Mr. Fraser:** Thank you, Mr. Speaker. It's my honour to introduce to you and through you to the members of this Assembly Cheryl-Ann Orr and Barb Sinosich. If they'd please rise. These two wonderful women have had the experience with their families to experience the love and passion and compassion of Wellspring Calgary. They're here representing their big fundraising day, Toupee for a Day. It's people like this that make Alberta great. They advocate for our communities, and really it's what we're built upon. I'm proud of them and proud to introduce them in this House. Thank you for coming today. If the members could give them a warm welcome, I would appreciate that.

**The Speaker:** The hon. Member for Edmonton-Calder, followed by Red Deer-North.

**Mr. Eggen:** Well, thanks, Mr. Speaker. I'm very pleased to introduce to you today and through you to the Assembly my guests from the Non-Academic Staff Association, otherwise known as NASA, which represents more than 6,000 support staff at the University of Alberta. My guests and their team have collected more than 4,000 advocacy postcards, signed by residents from all over the province, containing a simple message to restore funding to postsecondary education. I would now like my guests to rise as I call their names and receive the warm welcome of this Assembly: Rod Loyola, Leonard Wampler, Lilian Campbell, Dennis Johnson, Donna Coombe-Montrose, and Jamie Smith. Let's hear it for them.

Thanks.

**The Speaker:** The hon. Member for Red Deer-North, followed by Leduc-Beaumont.

Mrs. Jablonski: Thank you, Mr. Speaker. I am pleased to introduce to you and through you to the members of this Assembly some very special people. They are the family of Jon Wood, who was an exceptional young constituent of mine who was killed by a drunk driver. Jon's family have provided these pins for members of the Assembly with the words of Jon's favourite song: "keep your head up; keep your heart strong." I would ask Jon's family to rise as I call their names: Lori Church, the mother of Jon Wood; Jon's siblings Daniel Wood, Andrea Wood, Eli Church, and Eric Church; Jon's grandparents Jack Lotzien and Bernice Lotzien. They are accompanied by 12 other family members and friends, who are seated in both the members' gallery and the public gallery and have travelled from Calgary to honour the memory of Jon and hear my member's statement. I'd ask them all to please rise and receive the traditional warm welcome of the Assembly.

#### 1:40

**The Speaker:** The hon. Member for Leduc-Beaumont, followed by Edmonton-Meadowlark.

Mr. Rogers: Thank you, Mr. Speaker. I'd like to introduce to you and through you to all members of the Assembly Dr. Neil Cashman and Dr. Bob Gundel. Dr. Cashman is a world-renowned neurologist and neuroscientist specializing in Alzheimer's disease and ALS. In July 2005 he was appointed professor of medicine at the University of British Columbia, where he holds the Canada research chair in neurodegeneration and protein misfolding diseases. He's also scientific director of PrioNet and founder and chief scientific officer of Amorfix Life Sciences. Dr. Bob Gundel is president and CEO of Amorfix, and he's a 35-year veteran of the pharmaceutical industry. Dr. Cashman will be speaking this evening in my constituency, where he'll be sharing the exciting news of a new test he has developed for early identification of Alzheimer's disease. They are seated in the members' gallery and are also joined by Mr. Roger Kotch. I'd ask my guests to rise and receive the traditional warm welcome of this Assembly.

**The Speaker:** Let's move on, then, to Edmonton-Riverview, followed by a repeat introduction by the Associate Minister of Recovery and Reconstruction for Southwest Alberta.

**Mr. Young:** Thank you, Mr. Speaker. It is my pleasure to rise today and introduce to you and through you to all members of the Assembly 14 members of Rotary International district 5370. These youth exchange students and new generation of youth are very excited to be here.

Among them are district 5370 governor Betty Screpnek; Jerome Martin, Rotary district image chair; Merle Taylor, my president at the Glenora Rotary; Hannah Werkgarner, youth exchange from Austria; Grégoire Vidal from France, a youth exchange student there; Henriette Olesen, a youth exchange from Denmark; Christina Haltou-Nielsen, a youth exchange student from Den-

mark; Milja Kauppinen, youth exchange from Finland; Lindsey Lam, Rotary youth exchange awards; Bashir Mohamed, also from the leadership awards; Yvone Joubert, district 53 youth council and youth conference; Amy Smith, the Rotaract club from the University of Alberta; Abdul-Rahman Madi, the Rotaract club of Grant MacEwan; and Tempo Sabatier, Rotary youth leadership experience. They're all seated in the public gallery. I would ask my guests to please rise and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. associate minister.

**Mr. Fawcett:** Thank you, Mr. Speaker. I also see up in the gallery a former councillor from the city of Calgary for ward 4 that served from 2010 to 2013. Gael MacLeod is there. I'd hope that she could stand and receive the traditional warm welcome of this Assembly.

#### **Members' Statements**

**The Speaker:** Let us begin with the Leader of Her Majesty's Loyal Opposition.

#### Premier's Travel to South Africa

**Ms Smith:** Thank you, Mr. Speaker. This week marked the sixth anniversary of the 2008 provincial election. It was March 3 - a day, I'm sure, the Premier won't soon forget – when she was elected to this Legislature for the very first time. She'll also recall that not long after that day she sat around the cabinet table and voted with her colleagues to give themselves a 34 per cent pay raise, courtesy of the hard-working taxpayers of Alberta.

Not surprisingly, there was a backlash, a big one. Albertans were furious at the brazen entitlement of their newly elected government. After an ugly and prolonged scandal the government finally relented. They announced they would return the money to taxpayers. Not all of it, though. After hiking their pay by more than a third, they gave back a measly 5 per cent. What was supposed to be a grand gesture of apology and contrition became yet another slap in the face to taxpayers. They knew they did something wrong. They knew they had to do something about it, but they still kept most of the money for themselves.

Mr. Speaker, history is repeating itself. Yesterday the Premier announced she was going to pay back her travel expenses. Not all of them, of course. Certainly not the big one. No, instead of giving back the \$45,000 she used to get to South Africa in style, she's giving back, coincidentally, about 5 per cent of that. She's going to keep the rest, an amount of money that exceeds the annual salaries of nearly 4,000 of our front-line public-sector employees. I suppose all should be forgiven.

Mr. Speaker, this is not leadership. When Albertans see this kind of personal pampering and self-service in their leaders, they lose faith not only in that individual but in the political and democratic process itself. The lasting effect of this kind of entitlement is a cynical public that believes the worst instead of hoping for the best. We should see the very best of our values and the very brightest of our intentions reflected in our leaders. It's a shame this Premier has let us down. Mr. Speaker, Albertans deserve better.

The Speaker: The hon. Member for Edmonton-Highlands-Norwood.

#### **Government Policies**

**Mr. Mason:** Thank you very much, Mr. Speaker. Middle-class families are starting to see the truth about the entitlement and hypocrisy of this PC government. We're living in the tale of two Albertas, where for this government and their wealthy friends and corporate donors flying first class is just a symbol for their way of life. The wealthy in this province pay less in taxes than they would anywhere in Canada. In this province wealthy Albertans can buy memberships in private health clinics to help them navigate their way to the front of the line.

But most middle-class Alberta families don't live in that Alberta. They pay more than their fair share of taxes because of the flat tax. They can't afford tens of thousands of dollars a year to avoid the long wait times in our health care system. The cost of their electricity is much too high, thanks to the PC's deregulated electricity market, which yet again benefits major PC donors like TransAlta while costing families more every year.

Albertans want a responsible and trustworthy government. They have instead a government that can't even be trusted to use a government plane for government business. Albertans want a government that invests in vital public services like health and education. They have a government that erodes the qualities of those services every year. Albertans want a government that's consistent and fair. They have a hypocritical government that freezes the wages and attacks the pensions of Albertans while wasting money on expensive travel and lavish severances.

Alberta's New Democrats will continue to fight against this hypocrisy and to fight for an Alberta that works for all of us, not just the PCs and their entourage.

Thank you, Mr. Speaker.

#### **Jonathon David Wood**

**Mrs. Jablonski:** "My worst days are better than some people's best days." These were words that 33-year-old Jonathon David Wood spoke and lived by. A man of endless optimism, Jon could see the positive in any situation. His youngest brother said: to Jon, success wasn't success unless you had your friends and family with you. Jon never left a man behind. He believed everyone had something to teach him. He did everything with intensity and plenty of good humour.

Jon's song was *Keep Your Head Up* by Ben Howard. He used the lyrics, "keep your head up; keep your heart strong," to lift the spirits of those around him. It was an affirmation that everything was going to be all right.

On the morning of November 2, 2013, Jon took a cab home after a night out. A short distance from his home, while stopped for a red light, Jon's taxi was struck by an impaired driver. Jon was killed instantly.

I would like to quote his mother, Lori Church.

Now we are left to pick up the pieces and go on. In a way, we all died in that taxi. We all lost something that can never be replaced. Ironically, though, Jon would find something positive to take from this inexplicable tragedy, and I can hear what he'd say: keep your head up; keep your heart strong. Your worst days will be better than some people's best days.

For Jon and for our community we must find the good in this. While we believe significant reform is needed with respect to the way our society views impaired driving, our efforts will be better invested at the grassroots level, to nurture more Jon Woods, who truly care enough to make responsible decisions.

The Jon Wood memorial fund supports programs that ignite passion and caring in young people. To learn more about Jon and Jon's fund, please visit jonwoodmemorial.com and facebook.com/celebratejon.

Mr. Speaker, Jon's life was an inspiration to all of us. Alberta lost a very special person that night. We all lost something that can never be replaced.

#### **Oral Question Period**

**The Speaker:** Thank you. We'll begin in a moment, and we'll continue with private members' statements after question period.

Let us begin with the Leader of Her Majesty's Loyal Opposition.

#### 1:50 Premier's Travel Expenses

**Ms Smith:** Mr. Speaker, yesterday we pressed the Premier to pay back the money she recklessly overspent on a trip to South Africa. We pointed out that her trip was in no way consistent with the government's expense policy. After question period the Premier agreed to pay back some money but not for the South Africa trip. Instead, we learned that the Premier admits to five other flights which don't fit the rules. To the President of Treasury Board: when did he give the Premier and her senior staff a blanket exemption from following the government's expense policy?

Mr. Horner: We've never given such exemption, Mr. Speaker.

**Ms Smith:** Well, Mr. Speaker, the Premier has now admitted that she doesn't follow the government's travel, meal, and hospitality expense policy. My question again is to the President of Treasury Board, whose department controls the government air fleet. Did he know that the Premier was using government airplanes for her family vacations, and why didn't he do anything about it?

**Mr. Horner:** Mr. Speaker, I think the Premier has answered these questions repeatedly, both in this House and in the scrum. Members of cabinet, members of government, and, in fact, even members opposite that used to be in government have used government aircraft to get to the 90 per cent of communities in our province that are not served by commercial aircraft. They've used the government aircraft to get to meetings where there was a timeliness issue, which the Premier has done as well, and in fact they have used it when family is accompanying them to government functions and nongovernment functions. It is a normal course. We've been doing it for a long time, not just this Premier but Premiers before her as well.

Ms Smith: They didn't use it for family members.

The expense policy states, "Claims should be able to withstand scrutiny by the Auditor General of Alberta and members of the public." It is obvious that many of the Premier's claims will not stand up to that scrutiny. Will the Premier do herself a favour and do the right thing and pay back the \$45,000 for the South Africa trip?

**Ms Redford:** Mr. Speaker, I had a long conversation yesterday with reporters, with people who are my constituents, and I talked about exactly what I talked about in the scrum yesterday, which was that after some of these questions came to light in January, I did ask my office to take a look at what had happened in the two and a half years since I became Premier. As soon as I was made aware of that information, I set the record straight and dealt with that issue. You know, the steps that we took yesterday to ask the Auditor General to look at out-of-province flights, the work I've

asked the president to do is consistent with the work that we need to do to ensure that Albertans have confidence in the system.

**The Speaker:** The Leader of the Official Opposition, for your second main set of questions.

**Ms Smith:** Mr. Speaker, yesterday the Premier did indeed write to the Auditor General and asked him to review the use of government airplanes. A review isn't needed. He's already done the work. In 2004 the Auditor General said that the airplane use policy wasn't as clear as it should be. He was worried that the fleet would be used inappropriately unless the rules were clarified, but he did make it clear that "family members may not travel on government aircraft unless it is the minister's spouse invited to an event." Someone in the cabinet must have known that the rules were being broken. Why didn't anyone speak up?

**Ms Redford:** Well, Mr. Speaker, I travel an awful lot around this province, and one of the things that people often do when they introduce me is that they introduce me as Alberta's first woman Premier. I'm also the first Premier who is a mum. Last year, just to remind the hon. member, in Committee of Supply when the Executive Council budget was reviewed, I mentioned the fact that there are flights that I take my daughter, Sarah, on – my husband will not fly on the plane because of exactly this sort of thing – and the hon. Leader of the Opposition said: well, we wouldn't want to interfere with that because we know that that's important. So now I'm confused.

**Ms Smith:** The Premier also said in that exchange that she pays personally for family flights, which turned out not to be true, did it?

In 2005 the Auditor General again raised concerns about the absence of policy regarding the use of government planes, but he was told by the government that ultimately members of Executive Council are accountable for their use of aircraft. My question is for the cabinet. The Auditor General says that you are accountable. Was no one aware of this abuse of the air fleet, and why did no one tell the Premier to change her ways?

**Mr. Horner:** Well, I'm not sure who the hon. member was directing the question to, but as the ATS falls under my purview, Mr. Speaker, I will again reiterate what has been said here. The Premier has instructed the Auditor General to review not only what we have done but what has happened since his review in 2004 and 2005. As I recall – and I've not gone back and read it in detail – the Auditor General did believe that having that fleet at that time was a useful use of the planes because we need to be able to reach Albertans, talk to Albertans. Frankly, Mr. Speaker, Albertans want to see the Premier in their communities, they want to see the cabinet in their communities, because that's what reaching out to Albertans is all about.

**Ms Smith:** Yes, but the Auditor General didn't want to see anyone abusing it.

The fact is that no one wants to speak up. No one wanted to tell the Premier that what she was doing was wrong. The Premier has now banned all out-of-province flights on government planes for everyone, not just for herself. This leaves Albertans wondering if the problem goes further than the Premier. Are there other PC ministers that are jetting across the country on personal business? Anyone else want to fess up?

Ms Redford: Mr. Speaker, I find it incredible that in this hon. member's member's statement she talked about people losing confidence because of trust and circumstances that, quite frankly, this hon. member throws out there month after month and year after year to suggest inappropriate behaviour, which over and over again independent offices of this Legislature have said have not been the case. So I guess we will continue to see this. We certainly want to deal with the issue. I have heard what Albertans said. I took responsibility, apologized, have taken steps, and will continue to do that.

**The Speaker:** The hon. leader for your third main set of questions.

**Ms Smith:** And that, Mr. Speaker, is why this Premier has 20 per cent approval ratings.

#### **Family Care Clinics**

**Ms Smith:** Yesterday the Health minister brushed off some serious questions about the state of health care in Slave Lake. While the causes of Slave Lake's problems are complex, there is no doubt that the structure and organization of the family care clinics are making the situation much worse. Doctors don't like family care clinics because they include gag orders in their contracts and have resulted in an unfair assignment of tasks within the clinics. Is the minister reviewing the way family care clinics are run so that communities like Slave Lake are not left in the lurch?

**Mr. Horne:** Mr. Speaker, we certainly are reviewing the many successes of the family care clinic model across the province as well as the PCN model, and I'm happy to tell you that in the case of Slave Lake since the family care clinic opened, there has been a very significant reduction in nonurgent patients in the emergency department of that hospital. People in Slave Lake are getting health care closer to home. They are getting it at hours that are convenient to them. They are enjoying the benefit of many other health professionals who have not previously been available to them to support their health care needs. This is the biggest success story in health care in Alberta.

Ms Smith: It's an imaginary success story, Mr. Speaker.

In big cities like Edmonton and Calgary doctors who don't like a family care clinic have alternatives, and so do their patients, but when the minister puts a family care clinic into a small town and it goes wrong, it can disrupt all of the health care in that community. That is exactly what is happening in Slave Lake. Will the minister admit that family care clinics as currently designed are not the right solution for Alberta's small towns?

**Mr. Horne:** Mr. Speaker, the hon. Member for Lesser Slave Lake has done an excellent job of representing her constituents on this matter, and what she has told me is that they are extremely pleased with the quality and access of health care that they have, particularly compared to the state of health care after the fire only a few years ago, when there was only one doctor. What is not imaginary is that this opposition will stop at nothing to politicize health care in this province. They treat health care as if it's political currency, and every time they do so, they demean the very front-line workers who deliver care to the rest of us.

**The Speaker:** Hon. members, we're almost getting to the point where you can actually hear the question being asked and you can actually hear an answer being given, but these additional conversations that continue to go on across the bow are really out of place. If need be, I will step in and I will shut some of you

down, and that's just how that's going to be. It goes for both sides. So let's listen attentively now to the next question, the third and final one from the leader.

**Ms Smith:** Thank you, Mr. Speaker. I'm certainly not blaming the hon. Member for Lesser Slave Lake for the Health minister's mistakes.

This experiment in delivering family medicine in a new way has resulted in Slave Lake losing its anesthesiologist, its operating room, the use of its dialysis unit, and its maternity ward. Health care for the residents of Slave Lake has never been worse. Will the minister explain why any small town should be willing to take the risk of bringing a family care clinic into their community if this is the result?

2:00

**Mr. Horne:** Well, Mr. Speaker, there are many reasons why communities all across this province are asking for family care clinics. They're asking for the roles of their primary care networks to be expanded. It has to do with things like the fact that 50 per cent of patients in Slave Lake have now been screened for common health risks, things like colorectal cancer and heart disease. [interjections] This is a model that represents our Premier's commitment and her vision to expand health care to Albertans. It is a rejection of cheap political tactics that are aimed at dividing health care workers, particularly doctors in this province, who are also working very hard to expand this model of care.

Mrs. Forsyth: Why don't you read the other stats, too?

**The Speaker:** Are you done, Calgary-Fish Creek? Thank you. Let us move on. Edmonton-Meadowlark, first main set of questions.

#### **Cabinet Travel Expense Policy**

**Dr. Sherman:** Thank you, Mr. Speaker. The Premier is trying to change the channel on Travelgate by pleading guilty to a lesser charge of \$3,100 for a family friend. But Albertans really want her to pay back for wasting \$45,000 of their hard-earned tax money and not hide behind the Auditor General. The Premier's South Africa expense is completely indefensible, and it gets worse. She billed the taxpayers \$20,000 for her executive assistant alone. To the Premier: was it absolutely necessary for you to bring your EA along, or was this just another perk you expected your inner circle to get paid for by the Alberta taxpayer?

**Ms Redford:** Mr. Speaker, as I said yesterday, the work that I do as the Premier of this province involves a lot of different things, and there are a lot of people who work in my office to support me in that work. One of those people is my executive assistant. My executive assistant travels with me. You know, the day that we learned the unfortunate news of the flooding in southern Alberta starting, I was on my way back from New York. I spent an awful lot of time dealing with issues of government at that time. I certainly appreciated the support of my staff in Edmonton, my staff in Calgary, the public service, and my executive assistant, who was travelling with me in New York. That is simply the way that work happens, and I'm grateful for it.

The Speaker: Thank you.

The hon. leader.

**Dr. Sherman:** Thank you, Mr. Speaker. All leaders here have EAs that work with us. But let's pretend for a moment that it was

necessary for the Premier's EA, or shall I say her briefcase carrier, to travel to South Africa. There is still the matter of the cost of his first-class flights to and from South Africa, \$20,000 first class. That's more than my expenses for the entire year alone as leader of an opposition party. To the Premier: why should taxpayers shell out so much money for your assistant to fly first class to and from South Africa when he could have flown economy for a fraction of the cost?

**Ms Redford:** You know, Mr. Speaker, I am very proud of the fact that 18 months ago we put in place travel and expense policy guidelines that are transparent to the people of Alberta so that everyone knows how the expenses related to the operations of government take place. At that time you will remember that the Canadian Taxpayers Federation said that not only our disclosure policy but our travel and expense policy was – let's say it together – the gold standard for this country. What I will tell you is that we do work, that it does involve expenses, that there are rules in place. We follow those rules, and I look forward to another question from the hon. member.

#### The Speaker: Thank you.

**Dr. Sherman:** Mr. Speaker, they do have a really good expense policy, and the funny thing is that it's public: first class for them and third class for Albertans.

The last time a cabinet minister abused taxpayer dollars on inappropriate travel expenses, not only did the Premier make her pay it back, she fired her from her post. Now the very credibility of this government is being degraded and the reputation of every government member on this side. To the Premier. You're the leader of the province. Will you just do the right thing, please? Just pay 45,000 bucks back, and let's move on to other topics, please.

**Ms Redford:** Mr. Speaker, I remember at the beginning of January saying to people that we needed to do better. I took responsibility. I apologized. We've taken steps to ensure that the Auditor General can continue to have the open access that he always has on these issues.

In fact, we're very much looking forward to moving on. I was at the mayor of Edmonton's state of the city address today. He's looking to the future. He's moving on. I think the hon. member was there. Let's talk about that.

The Speaker: The hon. leader of the ND opposition.

**Mr. Mason:** Thanks very much. To the Premier: given that the Auditor General has already examined the policy with regard to government aircraft and he specified that family members other than spouses attending official events should not travel on a government aircraft, was she aware of this policy when she booked the trips for which she repaid the money yesterday?

**Ms Redford:** Mr. Speaker, we know what the Auditor General said about government aircraft in 2005 and 2006. One of the reasons we've asked him to review the policies now is because we think it is important for issues to evolve. I'll tell you, quite frankly, that one of the evolutions in this province is that you have a Premier who has a 12-year-old daughter, and because of that we're going to continue to balance everything we can to make sure that I am able to do my job to the best of my ability, that I'm able to spend time with my family. It has never been my intention and never will be my intention to in any way trick the taxpayers of Alberta.

**Mr. Mason:** Mr. Speaker, there are thousands of government employees who are women, who have families, and who are not allowed to bring their children to work. Why does the Premier believe that she is so entitled that she can do it when the employees that work for this government are not allowed to do so?

**Mr. Hancock:** Mr. Speaker, one of the fundamental values of Albertans are family values. When you're elected to government, whether you're an MLA or cabinet minister or Premier... [interjections] If you're an MLA, a cabinet minister, or Premier, one should not have to abandon their family to do their job, and when there's an extra spot... [interjections]

#### Speaker's Ruling Decorum

**The Speaker:** Speaking of families, speaking of children, how do you think what you just did carried out there amongst Albertans that we're serving? I don't think it was very adultlike, and I would think that most of you would agree with me that it wasn't. So, please, let's show some decorum that is filled with the dignity which this institution, this House, is usually known for.

Mr. Deputy Premier, would you conclude your remarks, please.

#### Cabinet Travel Expense Policy (continued)

**Mr. Hancock:** Thank you, Mr. Speaker. When a member of this government is travelling on government business on a government aircraft and there's an extra seat that you can take a family member along to participate with you, why would you not do that? Why would you not take the time with your family, involve your family in the public service that you're doing, set the example for your family in terms of how you give back to the community in every way that you can?

#### The Speaker: Thank you.

The hon. ND leader for your third and final question.

**Mr. Mason:** Thank you, Mr. Speaker. Well, again, it's the tale of two Albertas: one rule for this government and their cronies and another rule for the rest of us.

Mr. Speaker, the Auditor General is an officer of this Legislature, not the Premier's personal adviser. She's asking him to tell her how to be ethical and prudent with Albertans' money. She shouldn't have to ask. To the Premier: why do you have to depend on the Auditor General to tell you what Albertans expect you to understand already?

**Ms Redford:** Well, Mr. Speaker, based on the last two and a half years of experience in this House I'm pretty sure that if I hadn't asked the Auditor General to do it, the opposition would have demanded that I did. We are very happy to take the advice of someone who is an independent officer of this House and not, as the hon. member suggests, my personal adviser. That's ridiculous.

**The Speaker:** Okay. The first five main questions are done with, so now no preambles, please, to your supplementals.

#### **Electricity Market Investigation**

**Mr. Anglin:** Yesterday we learned that the associate minister of electricity is confident in the ability of the Alberta Utilities Commission to adjudicate the serious allegations of electricity price-fixing. Today we learned that the AUC may hold these

proceedings behind closed doors, in secret, excluding the public. Will the government exercise its authority and guarantee that these proceedings will be held in public and not behind closed doors?

#### 2:10

The Speaker: The hon. minister.

**Ms Kennedy-Glans:** Thank you, Mr. Speaker. Again, I must caution this member to make sure that we do not do anything in this House to prejudice the outcome of this decision. It's up to the Alberta Utilities Commission to determine how they hold these investigations and the hearings. That is in their discretion. It's not up to the government of Alberta to direct the AUC on how those proceedings will be held.

Thank you.

**Mr. Anglin:** Given that the minister stated today and yesterday that she didn't want to prejudice the outcome of the proposed AUC hearing and given that the allegations levelled by TransAlta imply the AUC may have acted incompetently and possibly illegally in addition to the MSA, how can the AUC possibly adjudicate a proceeding without bias when the proceeding itself may implicate the AUC?

**Ms Kennedy-Glans:** Mr. Speaker, I had a little bit of difficulty following around in that loop of discussion, and I would really encourage this particular member to participate in law school. I know we've had this conversation before. He seems very, very interested in this. The Alberta Utilities Commission has very clear rules. This is not unusual, for specialized tribunals like this to hear decisions. We do it with securities regulations all the time.

**Mr. Anglin:** Mocking thousands of Albertans – there are enough lawyers.

Given that millions of Albertans are victims of electricity price gouging and given the seriousness of these allegations levelled by both sides in this dispute, if the government will not ask the RCMP to investigate, will the government protect Albertans, recuse the AUC, and have another independent judicial body adjudicate this process?

**Ms Kennedy-Glans:** I'd like to remind this member that protecting consumers is a priority of this government, and making sure that we protect the integrity of this market-based electricity system is in all of our interests. If this particular member has claims that he would like to assert to the RCMP, I encourage him to do that. I would do the same if I had that.

**The Speaker:** The hon. Member for Edmonton-Mill Woods, followed by Chestermere-Rocky View.

#### **Public Transit Funding**

**Mr. Quadri:** Thank you, Mr. Speaker. The big-city mayors have repeatedly called on the provincial government to provide additional funding to support new LRT projects. To the Minister of Municipal Affairs: can he please tell us what is being done to support public transit in urban centres?

#### The Speaker: The hon. minister.

**Mr. Hughes:** Thank you, Mr. Speaker. Well, as we know, the larger municipalities, in fact all municipalities, require stable, predictable funding in order to invest in these major undertakings. The municipal sustainability initiative will provide \$11.3 billion to municipalities over the life of the program. Many municipalities

have already allocated over \$1.5 billion to transit projects through MSI.

The Speaker: The hon. member.

**Mr. Quadri:** Thank you, Mr. Speaker. To the same minister. It is my understanding that many municipalities may have already committed their future MSI dollars to other projects. Are there any other provincial programs available to municipalities that could help them fund these transit projects?

**Mr. Hughes:** Well, Mr. Speaker, in addition to MSI - my colleague could perhaps speak about this – the Ministry of Transportation also has a program called GreenTRIP. This program, obviously, provides direct funding to transit projects. You know, I also, together with the Premier and her other colleagues, was at the state of the city speech today by the mayor of Edmonton. He said that Edmonton is worth investing in, and I couldn't agree more. Edmonton is worth investing in.

The Speaker: The hon. member.

**Mr. Quadri:** Thank you, Mr. Speaker. We just heard the Minister of Municipal Affairs cite the GreenTRIP program. Can the Minister of Transportation tell us whether the city of Edmonton can count on a program like GreenTRIP for the southeast expansion of the LRT line?

The Speaker: The hon. minister.

**Mr. Drysdale:** Thank you, Mr. Speaker. We've always supported Alberta municipalities when it comes to transportation infrastructure. GreenTRIP is a big part of our building Alberta plan, and we're committed to fulfilling our commitment by 2020. Mayor Iveson has done his job. We talk on a regular basis, and he's promoting the LRT. So far GreenTRIP has approved funding for public transit projects in 15 Alberta municipalities, totalling more than \$1 billion.

#### **Mathematics Curriculum**

**Mr. McAllister:** Mr. Speaker, yesterday the Minister of Education insulted 7,500 concerned parents and teachers who signed a petition when he dismissed concerns about his new wishy-washy, edubabble curriculum, which abandons the basic fundamentals of learning. So let's flip the switch. The following questions don't come from me; they come from Albertans. Cristian Rios, a mathematician at the University of Calgary, says that the new system is upside down, that it creates chronic confusion and an aversion to everything mathematical in students. Minister, ignore and insult me when I ask you these questions, but what do you say to experts like Mr. Rios?

**Mr. J. Johnson:** Mr. Speaker, I thought I said yes to his question yesterday. He had asked me; I said yes. It sounds like they can't take yes for an answer.

Mr. Speaker, the other point that I made yesterday – and they were a little loud, so maybe not everybody heard it. We pay very close attention. We're very interested if even one parent or one Albertan has an issue with any aspect of the education system. The petition that we got, the meetings that we've had, the feedback we get from postsecondary, parents, industry, anyone are going to be well thought of and are going to be taken into account as we're doing new curriculum changes, which happens on an ongoing basis. **Mr. McAllister:** Mr. Speaker, it would be wonderful if what he said actually matched his actions, but it does not.

Given that Donna Nixon, a math teacher in St. Albert, says that your new system has made it so that some of our grade 7 students can't even do basic addition and subtraction, never mind multiplication or division, why do you think, Minister, that you know better than experts like Ms Nixon?

**Mr. J. Johnson:** Mr. Speaker, I certainly do not think that. That's why we want to take all of these considerations into account. We look at the research from around the world, we look at best practices, and we look at the international exams that just came back. The hon. member said sometime ago, I think, that our results had declined by 32 per cent. This was in this House on December 4. Well, if you're looking for evidence that we have a math issue, there it is right there.

**Mr. McAllister:** I'd give the minister a zero, but I know his government doesn't like zeros.

Considering that Jacqueline Fern, a math teacher in Red Deer, said that due to your new system students from grade 6 to grade 12 have absolutely no concept of basic math skills and pleaded with you directly to stop this bureaucratic disaster, can you again explain why you know better than Alberta parents and teachers? Minister, you're not listening to what Albertans are telling you.

**Mr. J. Johnson:** Mr. Speaker, I think what this member is saying is just simply offensive, and it echoes what he said on December 4: "We have really hit the skids."

Our education system is fantastic. The international tests attest to that. In the international tests, as a matter of fact, it's in the area of basic math that our kids excelled, and the researchers tell me that they nailed it. The problem solving and when you're trying to apply those concepts to complex situations are where we fell down. We are making changes to the curriculum, and we are listening, but I expect that they won't be happy with that either.

#### Speaker's Ruling Decorum

**The Speaker:** You know what happens every time I have to intervene? I take away a few seconds from your time to ask questions. I have to then do something about it because I'm not going to put up with this. I'll tell you right now; I've told you before. If I see another outburst from any of the four caucuses, then you lose the next question on the rotation period, and I will strictly enforce that. I've had enough for today, okay? So, please. No more. That's it. You've hit the top.

The hon. Member for Calgary-Hawkwood, followed by Calgary-Buffalo.

#### Wellness Initiatives

**Mr. Luan:** Thank you, Mr. Speaker. As Alberta's population grows and ages, rising health care costs will definitely test the resilience of our health care. According to Wellness Alberta over 90 per cent of our health care budget is spent on the treatment and management of chronic diseases, and many of those are preventable. My question is to the hon. Associate Minister of Wellness. Are there any efforts by our government to undertake a wellness approach, to fundamentally transform our strategy on health care and wellness?

The Speaker: The hon. minister.

**Mr. Rodney:** Well, thank you very much, and thank you to the hon. member for his advocacy of wellness. Mr. Speaker, you know very well that we have wellness champions clear across Alberta, and I applaud all of their efforts to promote wellness and also to prevent chronic disease and injury. This obviously increases quality of life while decreasing health care costs and taxes. Wellness requires financial and personal human investment, and everyone has a role to play. Our government, I'm proud to say, is a leader when it comes to wellness. We're the only jurisdiction in this country with a provincial wellness strategy and with a special focus on wellness that our office is honoured to provide.

#### 2:20

The Speaker: The hon. member.

**Mr. Luan:** Thank you. To the same associate minister: will the government be able to guarantee stable and long-term funding for wellness foundations, or are we going to leave our champions in this area to struggle to find their own resources?

#### The Speaker: The hon. minister.

**Mr. Rodney:** Thank you, Mr. Speaker. We approach wellness in many ways here in Alberta. Our government continues to advance, first of all, numerous partnerships which complement our significant investments in primary care, that are designed to promote wellness and early intervention. We also fund and support healthy eating and active living as well as mental wellness in schools and workplaces and community settings. There are many initiatives: nutrition guidelines for children and adults, Healthy U, Alberta healthy school community wellness fund, Communities ChooseWell, ever-active schools, Premier's award for healthy workplaces, Uwalk, just to name a few. Please visit, everyone in Alberta, healthyalberta.com for a gold mine of wellness initiatives.

**Mr. Luan:** A last supplemental question. I heard a long list of things happening. Is this really making a difference to Albertans' lives, or is it not lip service?

**Mr. Rodney:** I'll tell you that folks in a couple of categories would definitely beg to differ. For instance, the Alberta Cancer Prevention Legacy Act created a \$500 million endowment fund that provides \$25 million every year for 25 years to support cancer research, prevention, and screening. Alberta's strategy for tobacco-free futures aims to prevent and reduce and protect Albertans from the harms of tobacco and tobaccolike products as well as second-hand smoke.

Mr. Speaker, there are so many other examples, that you know more than most folks. There's a long way to go, but as long as we have the best choices made by individuals and the creation of a society that makes the healthy choice the more attractive and easier choice, we're on the right track.

The Speaker: Thank you.

#### **Electricity Pricing**

Mr. Hehr: I didn't get to ask today's question yesterday, so let's try again. TransAlta Corporation was criticized last week for alleged manipulation of the electricity market, but they cite documents that show the government may have the most serious explaining to do. To the minister: when the MSA adopted policies and procedures allowing economic withholding, in other words price gouging, was it implementing government policy, or if it wasn't, why did the government not step in to stop Albertans from being gouged on their power bills?

**Ms Kennedy-Glans:** Again, protecting the consumer is a first priority. The Market Surveillance Administrator is well qualified, Mr. Speaker, to examine these situations. They have experience in this kind of issue, and they are doing their job. It's up to us to let them do their job.

**Mr. Hehr:** Well, Mr. Speaker, I don't know if the minister is listening to the question very closely, so I'll try it again. When the MSA adopted policies and procedures allowing economic withholding, in other words price gouging, was it implementing government policy, or if it wasn't, why did the government not step in to stop Albertans from being gouged on their power bills?

**Ms Kennedy-Glans:** The MSA was reviewing a policy regulation in consultation with lots of different organizations and companies. The Alberta Utilities Commission has the mandate to provide oversight of that, as they have been doing and continue to do.

**Mr. Hehr:** Mr. Speaker, again I'm not getting a clear answer. Was the MSA implementing government policy when it wrote in their directives that they would allow for the economic withholding or price gouging that led to Alberta consumers paying increased prices on their power bills?

**Ms Kennedy-Glans:** Again, I will repeat and caution this member that we will not prejudice the outcome of this case. The Market Surveillance Administrator is carrying out its functions. It's very Wild Westish in the extreme and speculative to suggest what the member is suggesting here.

#### **Social Innovation Fund**

**Mr. Bilous:** Mr. Speaker, with Bill 1 this government signalled that they will implement social impact bonds, a failed U.K. austerity scheme which outsources the delivery of crucial social services. The truth about these bonds is summed up well by the leader of the U.K. Official Opposition. The government is, quote, cynically attempting to dignify its cuts agenda by dressing up the withdrawal of support with the language of reinvigorating civic society. End quote. Can the Minister of Finance explain why instead of funding programs for Alberta's most vulnerable citizens, he proposes to fund wealthy investors who will profit from the misery of others?

**Mr. Horner:** Well, Mr. Speaker, unfortunately, the hon. member must not have been present or did not hear my speech on Bill 1 last night in this House. He would have then realized that Bill 1 is in addition to what is our normal operating budget. In fact, what the endowment is set to do is to do things that are outside the normal operations of government, to do things that would be innovative, to try to solve some of these complex problems. I would suggest that the hon. member might want to talk to people like the Edmonton Community Foundation and some of the notfor-profits, who are eagerly awaiting the ability to try some of these innovative ideas.

#### Mr. Bilous: Eagerly awaiting stable, predictable funding.

Mr. Speaker, given that we've seen this government's attempts to undermine the public sector and cut funding to nonprofits, all part of privatization by stealth, and given that stable, predictable funding for public services is the number one priority for **Mr. Hancock:** Mr. Speaker, first of all, it's a very narrow interpretation of a social innovation fund to say that it's all about social impact financing. However, that's not to say that one shouldn't keep an open mind to every different way of financing social operations. We have issues, social issues, in this province. We have a social policy framework put in place. What we need to do is get the community to embrace those issues, to step forward into those issues, and make sure that every Albertan has a chance to succeed. Social impact financing is one way and only one part of the social innovation fund.

**Mr. Bilous:** So the minister is basically summing up. They are going to privatize social services.

Given that in 2011 the Premier promised to implement social impact bonds and given that in 2012 she promised to end child poverty in five years, for some reason this government is only keeping one of those promises, the one that benefits wealthy investors and endangers the services which lift children out of poverty. To the Premier: why?

**Mr. Hancock:** Mr. Speaker, it's absolutely absurd to suggest that wealthy finances are going to get more wealthy off social impact bonds. Social impact bonds, or social impact financing, is a way in which investors can show social conscience and then use their money in a social way in the community and take a lower return but benefit the community. Again, the social innovation fund is about so much more than just social financing. It's about how we bring innovation to the social agenda, and that's an extremely important initiative for this government and this province.

**The Speaker:** The hon. Member for Cardston-Taber-Warner, followed by Red Deer-North.

#### **Small-business Regulations**

**Mr. Bikman:** Thank you, Mr. Speaker. This out-of-touch PC government seems to be ignoring the impact of overregulation on the lives of Albertans. During the recent red tape reduction week Albertans shared horror stories about battles with bureaucracy as they tried starting or growing their small businesses. Recently a constituent of mine received some Transportation department tickets. When he complied with one set of rules, he was fined because it made him offside on another set, a new set. When he changed, he was fined again for breaking the first set of rules. What is the minister doing to eliminate this kind of dysfunctional overregulation?

The Speaker: The hon. minister.

**Mr. Hancock:** Thank you, Mr. Speaker. The Member for Strathcona-Sherwood Park just recently completed a consultation with small businesses across the province. One of the things that small business is telling us is that what they want is access to good information, to be able to understand regulations, and to be able to comply easily with regulations. They recognize that regulations are important to the operation of a society. However, we have made a commitment to reduce and eliminate unnecessary regulations and, certainly, to clarify and ensure that we don't have regulations operating on each other. So I would very much appreciate getting those types of ideas because we often hear about overregulation, but we don't hear the specifics about what we can do about it.

The Speaker: Hon. member, first supplemental.

**Mr. Bikman:** Thank you, Mr. Speaker. I'll be glad to share that information with the minister. Thanks for the opportunity.

What tangible, concrete evidence can the minister table in this Legislature that demonstrates that real action is in fact being taken on reducing red tape and this kind of counterproductive dysfunction for Alberta businesses?

#### 2:30

**Mr. Hancock:** Well, Mr. Speaker, I believe it was the Canadian Federation of Independent Business that published a statement recently that Alberta was the best place in Canada to do business, and I think that businesses continue to indicate that as well. But we can always do better. Rather than simply this broad generalization that seems to happen time after time – and I'm not saying that this hon. member is saying it, but generally speaking, we say that red tape and regulations get in the way. We need to start specifically addressing those regulations that should be reviewed to see whether they still make sense, whether they're still necessary, whether they're understandable, whether they can be complied with easily. Those are the things we commit to do, and every time someone wants to bring a regulation into effect, they can go onto the website or . . .

The Speaker: The hon. member.

**Mr. Bikman:** Thank you again, Mr. Speaker. Will the minister commit today to acting on the 2012 Red Tape Reduction Task Force report: Focusing on What Matters by implementing an integrated strategy for systematically making life and businesses simpler and more cost-effective for all Albertans?

**Mr. Hancock:** Mr. Speaker, I'm pleased to say that it is my job each and every day to work systemically to make it easier for businesses to do business in this province, to reduce red tape or regulations where they're no longer necessary or where they're not easily compliant, and to ensure that it's easy to do business within this province, within the necessary regulations with respect to environment, transportation, and those things which also make our province a safe place to live. So it's that balance between appropriate regulations appropriately enforced and constantly reviewing to see if they're still relevant and needed and getting rid of them when they're not.

**The Speaker:** The hon. Member for Red Deer-North, followed by Little Bow.

#### **Prescription Drug Coverage**

**Mrs. Jablonski:** Thank you, Mr. Speaker. There has been a considerable amount of discussion in the media about potential changes to the drug plan for seniors, and as a consequence seniors in my constituency expressed concerns. They're very worried that they will have to choose between prescription drugs and food on the table. Seniors today are very happy with the seniors' drug plan now and wonder why it's being altered. My question is to the hon. Minister of Health. What changes are being made to the seniors' drug plan?

The Speaker: The hon. minister.

**Mr. Horne:** Well, thank you very much, Mr. Speaker. Indeed, seniors in Alberta and other Albertans who are part of other programs enjoy some of the most comprehensive drug coverage in Canada, and I can assure the House that they will continue to

receive that. The government will not be proceeding with income testing for patient contribution towards drug costs as had been announced, but what we will be doing is continuing our drive to ensure that we have the lowest drug prices in Canada, both those paid by the taxpayer and those paid by employers and Albertans. We will be continuing to consolidate the 18 programs currently across government to achieve administrative efficiencies. This is good news for Albertans and for taxpayers.

**Mrs. Jablonski:** To the same minister: what's the timeline in making these changes?

The Speaker: The hon. minister.

**Mr. Horne:** Thank you very much, Mr. Speaker. Well, I'll certainly have more to say on this after the provincial budget is tabled in the House tomorrow. This is going to take some time. As we've explained before, the consolidation of 18 programs in various ministries across government is a complex process. Part of this work involves creating a common formulary, or drug benefit list, so that Albertans enjoy a consistent level of coverage. The other part of this work is that Alberta will be continuing to lead the charge to urge the federal government to work with us as provinces and territories to develop a national catastrophic drug program.

**Mrs. Jablonski:** To the same minister: what reassurances can I give my constituents and all Alberta seniors that they will not be adversely impacted by these changes?

**Mr. Horne:** Well, Mr. Speaker, the hon. member can certainly assure her constituents and all Albertans that they will continue to get the prescription drugs they need in a program that continues to be the best in Canada. We are looking at ways, as I've said, of improving the delivery of programs; reducing redundancy by consolidating the 18 drug and supplementary benefit programs; continuing to push for lower drug costs, not for just this province but for all of Canada; and, of course, making sure we're doing all we can to extend drug coverage to those Albertans who currently do not have that.

**The Speaker:** The hon. Member for Little Bow, followed by Edmonton-Riverview.

#### **Rural Seniors' Transportation Needs**

**Mr. Donovan:** Thank you, Mr. Speaker. Monday's throne speech was full of promises from this PC government, and you can always be assured that the opposition and Albertans will be holding you accountable. The government has consistently failed to provide adequate protection and care for seniors. For rural seniors access to essential services in large cities is largely based on an individual's ability to drive. In light of the throne speech's recommitment to aging in place and what this government is going to do with transportation needs to help our rural seniors, to the Associate Minister of Seniors: have you considered providing stable funding for handibuses in rural communities? Your first question.

The Speaker: The hon. member.

**Mr. Quest:** Thank you, Mr. Speaker, and thank you for the question, hon. Member for Little Bow. Yes, my first question in this House.

Mr. Speaker, our seniors in this province are the ones that are responsible for the quality of life that we have today. We enjoy that quality of life because of all the hard work that they've done on our behalf, and we'll continue to do that. With respect to the member's question on transportation I do not have an answer for him today. But we're, of course, always open to any discussion, any ideas that make life better for seniors in Alberta.

The Speaker: The hon. member.

**Mr. Donovan:** Thank you, Mr. Speaker. I'm always open to discussions also with the minister.

Can this Associate Minister of Seniors help me understand how he intends to address aging in place without a competent plan to tackle transportation needs for all seniors in Alberta, not just the ones living in the cities?

**Mr. Quest:** Mr. Speaker, our commitment to seniors for accommodations in this province has been to add 5,000 new spaces over five years, and we're actually on track for that right now. The intent is for our seniors to be living in the communities or close to the communities that they've spent their lives in. They can live in these facilities as couples. They're close to their families. That's been our target. With respect to transportation this is often done in co-operation with the municipalities and local volunteer groups, and we'll continue to support that.

The Speaker: The hon. member. Final question.

**Mr. Donovan:** Thank you, Mr. Speaker, and thank you, Mr. Minister. Would the minister be willing to meet with the communities of Hays, Vauxhall, and the MD of Taber and the county of Vulcan to help establish a sustainable program that would allow all seniors to have access to handibuses in rural Alberta?

Mr. Quest: Absolutely, Mr. Speaker.

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

#### First Responder Communications System

**Mr. Young:** Thank you, Mr. Speaker. Since 2011 the province has allocated almost \$400 million to a public service radio network called the Alberta first responder radio communications system, or AFRRCS. Since that time the scope has been limited by eliminating any data capability, limiting it to only police services. The project was originally set to be completed in February 2014. To the Minister of Justice and Solicitor General: when will the project be completed?

The Speaker: The hon. minister.

**Mr. Denis:** Thank you very much, Mr. Speaker. We do expect the project to be fully completed in the next two years. Just so the member knows, of 332 sites there are 57 that are complete, and 107 are on their way to completion. This is also a very important project for rural communities, specifically our first responders throughout the four corners of this province.

The Speaker: The hon. member.

**Mr. Young:** Thank you. To the same minister: given that API3 was eliminated from the budget last year, what is this government's plan to enable information sharing amongst Alberta's police services and the RCMP?

**Mr. Denis:** Well, Mr. Speaker, this member has been no fan of API3 at all. In fact, I had frequent meetings with him last year in

which he had wanted API3 to be completely taken away. I actually took his advice along with several others, and we decided to move the hardware into other areas and act in the interest of the taxpayer as always.

**Mr. Young:** To the same minister or the Minister of Municipal Affairs: are there police services in Alberta or municipalities that are asking for this system today?

**Mr. Denis:** Well, Mr. Speaker, again, this is a very important program for all of our first responders throughout all of Alberta, particularly in rural Alberta. We have regular meetings with our contractors but also with the individuals that will be served by this particular program. I'm very confident that we're on the right track and that within the next couple of years we'll be fully onside and that our first responders will have the best possible radio system throughout the entire province.

**The Speaker:** The hon. Member for Calgary-Fish Creek, followed by Barrhead-Morinville-Westlock.

#### **Public Safety Legislation**

**Mrs. Forsyth:** Well, thank you, Mr. Speaker. Last fall Albertans were saddened to hear of the death of Quanto, an Edmonton Police Service dog who was killed in the line of duty. At the time the Minister of Justice stood with all Albertans in their outrage, saying: police dogs are almost like another police officer. For people who require service dogs because of hearing or sight issues, service dogs are an important part of their very well-being. The minister pledged to strengthen the Service Dog Act to include penalties for those who harm or kill service animals. In fact, he said that he'd like to have it for this spring session. Minister, when are you going to table it?

2:40

**Mr. Denis:** Well, Mr. Speaker, I know that this member uses a service dog, and I welcome her input in this particular area. I've had meetings with the Canadian National Institute for the Blind and also the police. We want to ensure that we get this done right the first time. But, more importantly, I'm also looking forward to what the federal government is doing because the federal government mentioned Quanto's law in its throne speech a couple of months ago, and we will continue to work with our federal counterparts and see if we need to do anything provincially depending on what the federal government decides to do on a national basis.

The Speaker: The hon. member.

**Mrs. Forsyth:** Thank you. Minister, you used the excuse for not proclaiming my Mandatory Reporting of Child Pornography bill, and you then blamed the feds, and it's four years later. Given that Saskatchewan has provincial penalties for those who commit violence against service animals, when will you bring the same protection for service dogs to Alberta?

**Mr. Denis:** Mr. Speaker, I wish to remind this member that had we proclaimed her bill, there would be less protection for children in this province.

The Speaker: The hon. member.

Mr. Anderson: Point of order.

**Mrs. Forsyth:** Thank you, Mr. Speaker. Given her mandate to champion efforts to protect Albertans from issues of family violence and sexual exploitation, will the Associate Minister of Family and Community Safety, who I know loves children, commit to ensuring the Mandatory Reporting of Child Pornography Act is proclaimed into law?

**Ms Jansen:** I would like to thank the member for her question, and I would also like to thank the member for her service in this area and her input in the last little while. These are areas that I'm proud to say that we are fully committed to. We've held two round-tables in the past six months on child sexual abuse. We are committed to putting together a sexual violence framework. I have asked for the member's input on that. That topic and all those topics will be a part of our sexual violence framework. I welcome the conversation that we will have in the near future.

**The Speaker:** Hon. Member for Airdrie, your point of order was noted at 2:41.

I think we're done, then, are we?

Okay. In 30 seconds from now we'll resume with Members' Statements, starting with Calgary-Glenmore.

#### **Members' Statements**

(continued)

**The Speaker:** The hon. Member for Calgary-Glenmore for a private member's statement, followed by Barrhead-Morinville-Westlock.

#### **Toupee for a Day**

**Ms L. Johnson:** Thank you, Mr. Speaker. Today is Wellspring Calgary's Toupee for a Day. Toupee for a Day was begun as a means of providing visible support to those who are living with cancer and those who love them. Each multicoloured toupee represents a different type of cancer. Today participants will wear their toupees to raise money and awareness for Wellspring Calgary.

Wellspring was founded in 2007 and provides support, resources, and programs for anyone living with cancer as well as added support for their loved ones. Programs offered by the charitable organization are free of charge and do not require referral. It's the only charitable organization of its kind in western Canada. The volunteers that work tirelessly to support the needs of those suffering from cancer as well as their family and friends, including Cheryl-Ann Orr and Barb Sinosich, who were with us in the members' gallery today, make Wellspring Calgary a successful organization.

On Monday, March 3, the PC caucus, including our Premier, donned toupees and took a group photo in support of this important cause to gain awareness for Toupee for a Day, and I believe it's all over the social media networks as we speak.

Mr. Speaker, organizations such as Wellspring Calgary are crucial to building even stronger and healthier communities in Alberta in several locations. Wellspring builds in Alberta warm and welcoming communities that ensure that no one will have to face cancer alone. I encourage all my colleagues to raise awareness for Toupee for a Day.

Thank you very much.

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

#### **Agriculture Literacy Week**

**Ms Kubinec:** Thank you, Mr. Speaker. I rise today to share with you that March 2 through 8 is the third annual Agriculture Literacy Week in Canada. Alberta is part of Agriculture in the Classroom Canada, a national organization of provincial ag in the classroom programs. Through this organization the provinces work collaboratively to develop curriculum-appropriate education materials for teachers and students. Learning about agriculture and how food makes its way to our tables every day is the foundation of this educational approach.

Agriculture Literacy Week will see classrooms of students participate in activities to learn about, connect to, and understand this important industry. Some of the educational initiatives these organizations offer include *All about Food*, which is a series of materials that includes a teacher's guide, student activities, and information about farm safety; and a favourite of mine, *The Real Dirt on Farming*, which is a reference manual with students' questions answered by farmers from across Canada.

Mr. Speaker, agriculture is that largest sustainable industry in Alberta and accounts for a record \$9.2 billion in exports. There are more than 40,000 farms in Alberta, and the industry employs over 75,000 people. Today's youth are tomorrow's agricultural entrepreneurs. We know that it is an important part of our rural development to engage today's youth and new farmers in continuing and growing the legacy of Alberta's agricultural sector.

The government of Alberta is proud to recognize Agriculture Literacy Week. We extend our thanks to the organizations that are working with industry and educators on these important programs for Alberta's youth. I would encourage you all to go to YouTube and look up the video *Long Love This Land*. It is an ATB video that gives you a lot of information. It's inspiring.

Thank you, Mr. Speaker.

The Speaker: Thank you.

The hon. Member for Drumheller-Stettler.

#### Acute Health Care in Consort

**Mr. Strankman:** Thank you, Mr. Speaker. In 2011 the government temporarily shut down acute-care beds in Consort because of a lack of physician services. The bed closure was supposed to be temporary, but the months have turned into years.

I stood in this House and raised this issue in March of last year. I was assured that the government would work with the community to get this facility reopened.

Again in May of last year I stood in this House and addressed this issue with the Health minister. Unfortunately, the minister responded with: "The decision around matching physician supply with the ability to open acute-care beds is more complex, of course, than simply the availability of physicians. There are many other support staff that are needed." However, that is not what was promised to the community of Consort, which has met all of the requirements put on them by this government. Yet Consort continues to wait for a timeline concerning the reopening of their acute-care beds.

The community of Consort has gone out and recruited the doctors and even built them new homes in an effort to reinstate these life-saving acute-care beds promised by this PC government. In response, their efforts have been answered with nothing more than excuses. Unfortunately, excuses do little to help the people in need of emergency care. Another promise made, another promise broken.

#### **Introduction of Bills**

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

#### Bill 3 Securities Amendment Act, 2014

**Mr. Horner:** Thank you, Mr. Speaker. I'm pleased to rise today to introduce Bill 3, the Securities Amendment Act, 2014.

Members will note that this was originally introduced as Bill 42 last fall. This bill was originally introduced in November but did not pass before the fall session was concluded.

Bill 3 will further modernize, harmonize, and streamline Alberta's security laws as part of the ongoing collaborative reform of Canada's securities regulation. Bill 3 focuses on over-the-counter derivatives and the harmonization of derivatives regulation in Canada. As members of this House may recall, the lack of transparency with this type of investment was cited as a contributing factor in the global financial crisis in 2008.

Bill 3 creates a statutory framework for the regulation of over-thecounter derivatives, providing the Alberta Securities Commission with the authority to make rules such as mandating central clearing, trade reporting, electronic trading, solvency, and other conduct requirements for those trading in derivatives. Provincial and territorial regulators will be encouraged to agree on a harmonized approach to regulating derivatives capable of being adopted across Canada. Bill 3 is an important step in that direction.

Thank you, Mr. Speaker.

[Motion carried; Bill 3 read a first time]

The Speaker: The hon. Member for Barrhead-Morinville-Westlock.

2:50

#### Bill 4 Estate Administration Act

**Ms Kubinec:** Thank you, Mr. Speaker. I rise today to request leave to introduce Bill 4, the Estate Administration Act.

The bill continues the work of the succession law project by modernizing and reorganizing the Administration of Estates Act, the Devolution of Real Property Act, and substantive rules from the surrogate rules.

The current estate administration law is not easily accessible or understandable. There is little guidance to help personal representatives understand their role and responsibilities in their dealings with a deceased person's estate. Bill 4 is intended to make the laws dealing with estate administration more modern, user friendly, and easily accessible. It will make it easier to understand the role of the personal representative in carrying out the final intent of the deceased. It is intended to reduce delays and costs for personal representatives, beneficiaries, and their advisers.

Thank you, Mr. Speaker.

The Speaker: Thank you.

[Motion carried; Bill 4 read a first time]

The Speaker: The hon. Deputy Government House Leader.

**Mr. Olson:** Thank you, Mr. Speaker. I move that Bill 4, the Estate Administration Act, be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

The Speaker: The hon. Member for Barrhead-Morinville-Westlock once again.

#### Bill 201 Agricultural Pests (Fusarium Head Blight) Amendment Act, 2014

**Ms Kubinec:** Thank you, Mr. Speaker. I request leave to introduce another bill, Bill 201, the Agricultural Pests (Fusarium Head Blight) Amendment Act, 2014.

Bill 201 would amend this act, setting Fusarium graminearum levels for Alberta seed and feed at .5 per cent. Currently there is a zero-tolerance Fusarium level in effect for seed produced across the province. This zero-tolerance level puts Alberta farmers and producers at an economic disadvantage compared to other jurisdictions like Saskatchewan and Manitoba.

Ensuring that Alberta farmers and producers get a fair price for their seed is integral to the government's plan to maintain a competitive economic future for all Albertans.

Thank you, Mr. Speaker.

[Motion carried; Bill 201 read a first time]

The Speaker: The hon. Member for Calgary-Fish Creek.

#### Bill 202 Independent Budget Officer Act

**Mrs. Forsyth:** Thank you, Mr. Speaker. I am honoured to rise to introduce for first reading Bill 202, the Independent Budget Officer Act.

It's no coincidence that I am tabling this bill the day before the provincial budget is to be read. My colleagues on this side of the House and I fully expect tomorrow's budget to continue to baffle Albertans as it is broken apart in ways that are so difficult to comprehend. It saddens me, Mr. Speaker, that a Premier who campaigned on open accountability and transparency has repeatedly broken that promise and changed the most comprehensive budgetary reporting as was introduced under the leadership of Premier Ralph Klein.

Bill 202 seeks to remedy this going forward by providing an opportunity to members and to the public to receive government financial information and budget estimates through an independent third party that reports directly to the Legislature. I believe that the independent budget officer will allow all members of this Assembly to better represent their constituents. As a result, Albertans can expect a more responsible and accountable government.

I look forward to the debate on this bill.

[Motion carried; Bill 202 read a first time]

#### **Tabling Returns and Reports**

**The Speaker:** The hon. Associate Minister – Recovery and Reconstruction for Southeast Alberta.

**Mr. Weadick:** Thank you, Mr. Speaker. It's a pleasure to rise today and table the appropriate number of copies of 176 letters from my constituents. These letters speak to the concern and opposition to a proposal by Goldenkey to drill exploratory wells in the urban areas of my constituency. There is incredible concern by our community, by our city council, and by our chamber of commerce, and I'm here tabling these letters today.

Thank you.

The Speaker: The hon. Deputy Government House Leader.

**Mr. Olson:** Thank you, Mr. Speaker. Pursuant to Standing Order 59.01(3) I'm pleased to table the requisite number of copies of the schedule for the 2014 main budget estimate debates.

Thank you.

The Speaker: Hon. Member for Edmonton-Centre, did you have one?

**Ms Blakeman:** Yes. Thank you very much, Mr. Speaker. In fact, I have two tablings today. The first is from Melissa Kehler, and she is quite concerned about access to psychological services, believing, rightly, that the mental health needs of Albertans are not being met, particularly because the services of psychologists are not funded under provincial health plans, and is urging the government to take more action.

The second is a letter I received from Lori Germaine. She's a youth support worker who accompanied a youth into the Alberta Works office and was quite appalled at the belittling, degrading, oppressive, and appalling interrogation she felt the youth received, and she details that in her submission.

Thank you very much, Mr. Speaker.

**The Speaker:** Are there any other tablings? Sorry. Cardston-Taber-Warner, my apologies. I have you on the list. I just over-looked it, so go ahead.

Mr. Bikman: I won't take it personally, Mr. Speaker. Thank you.

I have the requisite number of copies to table of a letter sent to me by Cliff Bullis of Jay's Towing Service, commenting on an accident that occurred about a week or so prior to the sending of the letter, expressing concern about the hazard that it is to be a tow truck operator and wondering if we can't look at this and perhaps find a better way to alert the public to the dangers that add to the hazards that tow truck operators are working under.

Thank you.

**The Speaker:** Seeing no others, I am pleased to rise and table five copies of the page biographies for the Second Session of the 28th Legislature, spring 2014. I encourage you to have a look at our pages.

Hon. members, it is just about 3 o'clock, so we can squeeze this in. There is one point of order that was raised by the Member for Airdrie, that came up during a response to a question, the response being given by the Solicitor General. I'm not sure if this is more a clarification point or what, but let's hear what you have, then.

Calgary-Fish Creek.

#### Point of Order Factual Accuracy

**Mrs. Forsyth:** Yes. Thank you, Mr. Speaker. I am, I guess, troubled to rise on a point of order. I'm going to use the citation, if I may, of 23(h), (i), and (j), "uses abusive or insulting language of a nature likely to create disorder." I honestly am troubled, quite frankly, by the answer that I received from the Minister of Justice and Solicitor General when I asked him the question about the child pornography bill. I think his answer was that the bill would be making children more unsafe. I guess I want to first of all remind the minister exactly what was contained in the bill, that "any person who has reasonable and probable grounds to believe that a representation or material is child pornography shall immediately report the matter to a reporting entity."

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You know, Mr. Speaker, I have a reputation, if I may, in this House from the 21 years that I've served in this House for the work that I've done on the protection of children. I've spent the entire 21 years of my career protecting children in this province. I'm deeply hurt and deeply saddened on behalf of Albertans and all the children that I have helped for this minister to say that it makes children more unsafe. I need to remind the minister that I brought forward the PCHIP legislation, which was the Protection of Children Involved in Prostitution Act, which, if I may say, was the first in North America. We have literally pulled hundreds and hundreds and hundreds of children off the street that have been involved in prostitution. I brought the first Amber Alert to Canada, to this province and then took it right across this country as the minister. And I can go on and on about some of the things that I've done in regard to protecting children in this province.

When I brought forward the mandatory reporting of children involved in prostitution, if I recall – and I will have to go back to Hansard – I think this minister stood up and spoke in support of this particular legislation. You know, I have asked him repeatedly about the fact of the importance – as a previous minister of the Crown you don't always have to wait for the federal government to do something. It's always a good initiative to kind of take the lead, that we've always been proud of in this particular province, on the protection of children involved in prostitution. He could have used the excuse on the .05 legislation that the federal government has under the Criminal Code .08, that kind of thing.

I guess that for me and on behalf of the people that serve in this Chamber and, for that matter, Albertans and all of the children that have been involved in child pornography – and I know full well that this minister in his position, quite frankly, because I was in that position as Solicitor General, sees horrific things come across his desk in regard to the horrendous, awful things that are happening to children in this province in child pornography, so I'd ask him to withdraw his remarks.

The Speaker: Hon. Minister of Justice, do you wish to clarify?

**Mr. Denis:** First of all, Mr. Speaker, I, like this member, will never apologize for standing up for children's safety. I thank her for the past work that she has done, but my comments were true and accurate, and I will quote directly from a legal opinion that I've received from an independent lawyer as part of the Alberta Justice department on October 1, 2012:

- (a) The limited use that may be made of this information [is concerning]; and
- (b) The lack of a prohibition on letting the suspect know they have been reported, thus giving the suspect an opportunity to destroy the evidence.

That is their legal opinion about Bill 202.

The opinion goes on, Mr. Speaker, to indicate that proclaiming Bill 202 into force

would lead to legislation that would create a mandatory reporting scheme that would create information that would be difficult for law enforcement agencies to use.

Perhaps most importantly,

it would allow [Internet service providers] to circumvent federal data retention rules and prohibition from notifying the suspect.

Mr. Speaker, with respect, I do appreciate this member's commitment to children's safety, but at the same time, proclaiming her bill would provide less protection for children in Alberta. [interjections]

**The Speaker:** Okay. You know full well that points of order should not be taken as an opportunity to prolong debate on this

matter. We've had a former minister, now the private Member for Calgary-Fish Creek, indicate her comments. They are on the record clarifying the work she did and her intentions in that regard. We have the Minister of Justice's opinion plus an opinion he solicited from outside, and I believe we've heard enough on this matter.

It's a point of clarification, two different versions of the same story, if you will, and we're just going to move on.

That concludes the Routine. Let us go on to Orders of the Day.

#### Orders of the Day

#### Consideration of His Honour the Lieutenant Governor's Speech

Ms Kubinec moved, seconded by Mr. McDonald, that an humble address be presented to His Honour the Honourable the Lieutenant Governor as follows.

To His Honour the Honourable Colonel (Retired) Donald S. Ethell, OC, OMM, AOE, MSC, CD, LLD, the Lieutenant Governor of the Province of Alberta:

We, Her Majesty's most dutiful and loyal subjects, the Legislative Assembly, now assembled, beg leave to thank Your Honour for the gracious speech Your Honour has been pleased to address to us at the opening of the present session.

[Adjourned debate March 4: Mr. Barnes]

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

**Ms Smith:** Thank you, Mr. Speaker. Monday's throne speech was an opportunity for the Premier and her PC government to hit the reset button on several fronts and lay out a positive and achievable vision for Alberta's future. Now, I always enjoy throne speech day because of all of the ceremony of the day, and maybe it's because I'm feeling so warm about having participated in that as an observer that I'm going to start with some positive things that I liked about the throne speech. It really shouldn't be all that surprising that we're able to find a few things that we agree with.

The hon. Member for Calgary-Fish Creek explained how the negotiation goes between a government and our Lieutenant Governor when it comes to issuing the throne speech. It's a bit of a negotiation where he finds in the government's agenda the things that he agrees with. Now, I know that the Lieutenant Governor, His Honour, is an honourable man. I have found many areas of common agreement with him, and I think he articulated several things in the speech that we can all agree Alberta should aspire to. I don't think that many of the concepts that were enumerated in the throne speech are of a partisan nature.

I think that all of the caucuses can agree on certain aspects of it; for instance, asserting Alberta on the world stage. The government and the Premier well know that when she is travelling abroad, we support the efforts that she's doing to represent Alberta's interests. We just have an issue when she travels abroad on personal travel and tends to bill that to the taxpayer. But when she does her work on the international stage representing Alberta's interests, we're very supportive of that.

I noticed that the throne speech mentioned twice that Alberta is the lowest tax jurisdiction. It mentioned that we've got the most jobs and the highest incomes, but it was the fact that it mentioned twice that we are the lowest tax jurisdiction that gives me some hope that the government has turned away from some of the initial types of comments they were making when this Premier first came into the position when she talked about reviewing the Income Tax Act and seemed to suggest she'd be looking at a whole new range of additional taxes. Plus, as we're going into a discussion about big-city charters, I can take some comfort that because the lowest tax jurisdiction was mentioned twice, that may be an indication that the government might be interested in following our approach of better revenue sharing as opposed to giving new taxation powers.

I also noticed in the throne speech that they mentioned my old boss the Canadian Federation of Independent Business in acknowledging that Alberta has the friendliest small-business environment. I think we can always aspire to do better and that we should continue to lead the country. I think my colleague from Cardston-Taber-Warner identified some areas that were slipping. Particularly on the regulatory front, it certainly would have been nice to see, as there has been in previous throne speeches, some mention to reducing the regulatory red tape and paperwork burden on our small-business community.

One thing that warmed the cockles of my heart: the idea that they were finally, finally, finally going to commit to reducing spending to less than inflation plus population growth, something that the MLA for Airdrie has been a tireless proponent and advocate for for many years in his alternative budget and budget recommendations. It finally sunk in, Mr. Speaker, that this is the kind of approach you need to take. In an environment where you have volatile revenues, you actually need to keep a handle on spending. I'll congratulate the government if, indeed, they actually end up committing to and implementing that the way we had expected that they would.

I did also acknowledge and think it's very important that the throne speech acknowledges that we need to take seriously the issue of aboriginal consultation. I, of course, have demonstrated how serious I take this issue as I am the critic for Aboriginal Relations. I notice today that Jim Prentice has been seconded to work with Enbridge and the other pipeline companies and proponents of the Gateway proposal to be able to try to work as an advocate and intermediator between the different parties to try to get a pipeline proposal approved with our First Nations communities. I think it's a very positive step, and I'm looking forward to seeing how that develops.

The issue of new flood mapping. Once again, this is something that we have been advocating since the weeks following the flood. We had wished that the government would have done it in the right order. Instead of arbitrarily identifying communities that needed to have flood payout, we would have preferred to see flood mitigation measures, new flood mapping, and then see the compensation follow from that point. They've got it backwards, but at least they're committing to that in this throne speech, and we'll see how that ends up playing out. I think we have a huge opportunity to make sure that this does not fall off the radar as it has in previous years.

After the flooding of 1995 and the flooding of 2005 there were recommendations that never got acted upon. I think in this case where the two hardest hit ridings were the ridings of the Premier and the Leader of the Official Opposition, it guarantees that we're going to be able to keep the pressure on to make sure that we see some action on this. I'm sure that the Premier is receiving the same phone calls that I am, and I'm hopeful that this time we're actually going to see the government take the actions they need to take to be able to protect our communities in southern Alberta.

#### 3:10

I'm glad as well to see a renewed commitment to ensuring that our friends in rural Alberta are supported. I'm so proud of my caucus colleagues from Little Bow, Strathmore-Brooks, Cypress-Medicine Hat, Lacombe-Ponoka, and Rimbey-Rocky Mountain House-Sundre. They went on a grain tour over the weeks leading up to session to be able to hear directly from farmers the impact that the disruption in rail service was having on their businesses and gave some fantastic feedback, which we intend to continue to press the federal government to take action on. I'm glad that this is an issue that is on the government's radar screen as well, in addition to issues such as country of origin labelling, more education in home communities through distance learning, and completing the last mile of broadband Internet access.

In addition, the new relationship with cities and other municipalities has been an issue that my colleague from Calgary-Shaw has been an outspoken advocate on. We've put forward a proposal, which I hope the government takes a close look at. As ideas go, this would be one we wouldn't be upset if they stole because we think that this is exactly the kind of new relationship and partnership that we need to have with our municipalities to recognize their area of autonomy, recognize their status as another order of government, and give them the long-term stable funding they need to be able to meet the needs of their community.

There are some whoppers in the throne speech that I do have to address. One of the lines, "building nothing would sacrifice Alberta's future," is clearly not an option. I'm not sure why this line would appear in the government's throne speech. It's pretty clear that none of the parties represented in this Legislature, none of the caucuses have a build-nothing agenda. If you look at our plan for 10 years - investing in infrastructure, \$50 billion, and doing it debt free - we recognize that building infrastructure is a core government function, a core business of government. It is unfortunately the government opposite, that has had such wild variation in infrastructure spending and the lack of certainty that they've given to our partners in postsecondary education, health care, education, municipalities, and other areas, that has created this level of uncertainty. We clearly need to have a new funding model to be able to ensure that we can build all the infrastructure that we need when we need it without going into debt.

The throne speech also said that the government "will stay true to its word and be there with the education, health care, and infrastructure [that Albertans] need." Once again I have to question the kind of examples that they brought forward, touting family care clinics when the Slave Lake example has shown that the family care clinic being implemented is an absolute disaster and is actually reducing the services in our small-town communities. I would hope that the Health minister would take seriously that lesson and, rather than forge ahead with a failed plan, that he would do the proper consultation with our physicians to make sure that he's not putting any other small communities at risk.

The acknowledgement of highway 63. We're pleased that the Transportation minister finally did put that on a faster timeline, but it's a bit of a stretch to say that the highway 63 project is going to be completed in full and on time. As my colleague from Calgary-Shaw pointed out, it's about 10 years late. In fact, when the new announcement came out that they were going to finally prioritize this, my colleague from Lac La Biche-St. Paul-Two Hills pointed out that the construction was taking place at a snail's pace. The Calgary Herald decided to actually map out: if construction had started and a snail had started at the same time that this project was proposed, which would have gotten further faster? The snail would have moved along further and faster than the government did on this project. So it's a bit rich for them to claim that it actually was in full and on time. We're pleased that they finally did end up fast-tracking it after all of the delays. I think this would be a wonderful service to our friends in Fort McMurray and absolutely essential in supporting the economic growth up there.

The issue of education: to ignore the full-scale parent and teacher revolt that is taking place over the new math and to forge ahead anyway despite the fact that there is all of this push-back, 7,500 individuals signing a petition, and I predict it's going to be several thousand more before they're done. The fact that this government is so tone-deaf that they don't realize they're going too far too fast on a flawed model I think is something that should be very worrying for parents.

The argument that they made, that they froze MLAs' pay following a cut: well, let me tell you my recollection, Mr. Speaker. I recall passing the Major report here, and MLAs at that point were making \$144,000 per year. By the end of that year the Members' Services Committee, the PC members anyway, voted for an increase, and then we were making \$156,000 a year. By the old math that's an 8 per cent increase, but under the new math I guess it's whatever the Premier says it is. So I would have to say that the fact of the matter is that that's another whopper in the throne speech, and I think it's unfortunate that the government is trying to push forward false information to the public. I just wanted to call that out.

In addition, we already see that they're hedging their bets on the new school promise. We all recall the promise in the last election of 50 new schools and 70 more modernizations before the 2016 election. Well, I'll point you, Mr. Speaker, to the question yesterday from my colleague from Lacombe-Ponoka. All there is on the Blackfalds site is a PC-branded Building Alberta sign and a couple of posts. That's what the promise for a new school in Blackfalds looks like, no shovels in sight, and I can tell you that that's what we're hearing all around this province.

When the Education minister says that we're going to see all of these schools built before the next election, why, isn't that interesting? The throne speech said that it's going to be built over the next three years. Well, three years would take us to 2017, which would actually be after the next election. So I'm just going to put it out there that my guess is that the government is just using this as an election ploy and that they don't really have any intention of meeting the objective of getting these projects built before the next election. Just a prediction, but I may as well put it out there since it was mentioned in the throne speech.

In addition, they talk about a new framework for renewable energy, something that the Member for Rimbey-Rocky Mountain House-Sundre has been talking about for some time, but I've got to say that when you've got a Market Surveillance Administrator catching a company manipulating the market to boost prices artificially, not just once but for a second time, you have to wonder about whether the government is truly committed to putting consumers first. We just simply aren't seeing it.

A Canada free trade zone. This came out of the blue. I'm not sure where this came from. It's the idea of reducing internal trade barriers. I think that's not a bad idea, but sometimes I have to say, Mr. Speaker, that I get the impression that the Premier thinks she's the Prime Minister rather than the Premier of Alberta. If I were Premier of Alberta, I would focus on getting the New West Partnership right because the two most important relationships that we have right now are with our neighbour to the east, Saskatchewan, led by Premier Brad Wall, and our neighbour to the west, led by Premier Christy Clark, and I have to say that those two are fellow travellers on the Conservative side of things. You would think that there should be an amazing partnership between our three provinces to be able to move aside all of the trade barriers that we have that are preventing the free flow of trade and goods across our borders. It seems to me that this is the partnership the Premier should be focusing on getting right, and I have to say that it appears to me that when you read stories about the relationship between our Premier and some of these others being frosty, I think this is the area that she needs to do a little bit more work on.

The throne speech also bragged about the agreements with teachers and doctors but mentioned nothing about the blind-side hit that's coming to our front-line public-sector unions with new pension legislation that is taking place this fall unilaterally. I have to say that it is not our AUPE front-line workers who are the problem when you're looking at government overspending. As they pointed out when the sunshine list came out showing how many workers are making over a hundred thousand dollars per year, it was only 88 of the 22,000 AUPE workers who were on that sunshine list, and those were scientists. Most of the people who were on that sunshine list were political appointees, senior managers, not the folks who are down in the trenches doing the front-line work.

In addition, they have pointed out as well that 4,000 front-line AUPE workers earn less than \$45,000 a year, so you can imagine how they're feeling when they've been watching the debate in the Legislature this week, to see that the Premier continues to refuse to pay back \$45,000 for a single trip, when that's how much they make in a single year. Now they're being asked to have wage austerity for the next four years. Since the government doesn't seem to even want to acknowledge our front-line workers let alone thank them, let me stand and thank our front-line workers with the AUPE for the incredible work that they're doing on behalf of all Albertans.

So now we have the biggest whopper of all in the budget. The government is going to live within its means and balance the budget. Well, I have to say that when you look at the supplementary estimates that we're going to be debating, albeit there are hundreds of millions, billions of dollars in there because of flood relief, there is also \$700 million of additional spending increases that have nothing to do with the flood relief effort, 700 million additional dollars that this government is asking for, which I find a bit peculiar because in the throne speech they bragged about the fact that they have already had 375 programs reviewed, that they're two-thirds of the way through the results-based budgeting process, and they're asking for \$700 million more.

#### 3:20

Wasn't the whole purpose of the results-based budgeting process to find efficiencies in certain places so that the money could be moved from low-priority areas to high-priority areas? If that's the case and they are continuing to ask for more money, having gone two-thirds through that budgeting process, I would have to say that results-based budgeting is not something you should be touting as a success. It's actually turning out to be a pretty big failure.

The other thing that we're seeing as well is this strange action that the government is taking to try to pretend that they're saving more. But they're not really saving more; they're saving through borrowing. They're borrowing to save money so that they can spend more money on corporate welfare programs through the various different endowment funds that they're creating. We as a party do not support subsidies to private corporations, and we'll be watching the kind of decisions the government makes in how they allocate these dollars. We saw through the years of late 1980s and the early 1990s, before Mr. Klein came in and fixed things, that there were billions of taxpayers' dollars wasted on failed diversification efforts. I fear that the government has started us down a track of taking a very similar flawed approach. On balance I'd have to say that the throne speech offered Albertans little assurance that the Premier's government has Albertans' best interests at heart. It gave no indication of a change in approach. The speech was very disappointing in many ways.

To truly understand this throne speech, we should step back to the 2012 throne speech. We've now had two years to see whether or not any of the high ideals actually translate into meaningful government action. There are a couple of things that I think indicate whether or not we should have some optimism in looking at the issues that are raised in this throne speech. In the 2012 speech this government promised to "deliver and fulfill a clear, focused, target-driven mandate." Albertans were supposed to know where the province was headed and how much progress was being made. This government claimed that it would be true to its promises. You know, I have to tell you, Mr. Speaker, that I can't think of a single promise that this government has kept let alone being true to its promises more generally. We were told that the government would "bring new fiscal discipline to budgets so they deliver the outcomes Albertans want in a financially sensible way." The government bragged about its fiscally conservative beliefs.

Well, here we are today, two years later, and we have an absolute fiscal mess. I have to tell you that we had to go to the extreme measure of holding a press conference to give the media a tutorial on how to interpret the government's budget numbers. When you cannot actually have on budget day any kind of consistency from opposition parties or advocacy groups or any kind of commentator even being able to figure out what the debt or deficit number is, that's not a problem with the analysis; that's a problem with the way the government is presenting the books. We had to go through and talk about what an operating surplus is versus what a consolidated operating surplus or deficit is because the government's definition of a consolidated surplus or deficit is different than what accountants would look at as a consolidated surplus or deficit.

We also know that it's impossible to say that you're running a surplus and then still take out billions of dollars worth of debt. This is what puts the lie to the argument that the government is putting forward. We are going to be racking up billions of dollars worth of additional debt. We are going to have hundreds of millions of dollars in additional interest charges. I think this is important. I'm not sure if the government is thinking about the way in which debt and finance charges impact their ability to deliver on their operational promises. If we follow down the track that the government outlined in last year's budget, we'd be looking at \$17 billion worth of debt by 2016, \$600 million worth of finance charges. Where are those dollars going to come from?

Let's remember last year: \$147 million they gutted out of postsecondary because they were looking, scrambling to try to find ways to make their deficit look less bad than it was; \$42 million cut out of persons with developmental disabilities programs, causing absolute chaos and near devastation on the front lines of providing services for our most vulnerable. Those are in combination less than \$200 million. Where's this government going to come up with \$600 million to pay those finance charges? That, I think, is the aspect that they're not considering when they try to argue to Albertans that borrowing billions of dollars has no additional cost. It has a massive cost, and it pulls dollars away from the things that Albertans value in being able to hire front-line teachers, nurses, correctional officers, social workers, and so on.

We were also told in that throne speech in 2012 that the new Associate Minister of Accountability, Transparency and Transformation would usher in a new era of transparency and accountability. There would be a new Freedom of Information and Protection of Privacy Act, whistle-blower legislation, and worldclass conflict-of-interest legislation. Well, instead, what we've seen is a FOIP review act that has a process that is the most flawed review process in Alberta history. Normally you actually have members of the opposition involved in that process. They're choosing not to do that this time. Our whistle-blower protection legislation is classic Orwellian doublespeak. What we've seen in practice is that its main function is to protect the government from whistle-blowers.

We saw this when my colleague from Innisfail-Sylvan Lake went public with the whistle-blower who found that there was \$10 million worth of new computers stuffed into a storage room for a year and a half and becoming obsolete rather than being deployed by Alberta Health Services. These are the kinds of things that we need to have come forward so that we can find some of the solutions to these problems. But it's very clear that that's a dramatic example of how our whistle-blower legislation just isn't working.

Instead of world-class conflicts of interest legislation, this Premier has had to deal with some of the most serious conflicts of interest allegations in Alberta history, including one where she has been at the centre. This government's record on its promises is nothing to be proud of. The program this government delivered over the last two years from the last throne speech was not clear, it was not focused, and it was not target driven.

I have already talked about some of the promises in this throne speech, some of the concerns that we have with health care. We've got incredible concerns that they have made no practical movements on being able to correct the problems that we see in health care, particularly in seniors' care. We keep getting told that issues are going to be addressed, yet the 100-kilometre rule still exists, we still have seniors who are getting only one bath a week, we still have seniors who are not being fed home-cooked meals, and we still have instances of seniors suffering neglect, in the case of some suffering neglect to the point of death and not actually seeing any mechanism for being able to be redressed with their family.

Let me just finish by saying that the one thing the speech made clear was that more debt is in Alberta's future, and there's absolutely no plan to repay any of it. The 2012 throne speech promised fiscal discipline and fiscal conservatism. Instead, we got three budgets which even the Auditor General had a hard time deciphering. For a government that claims to be investing so much in future generations, they seem to be more content than ever to saddle those future generations with billions in new debt. I think the Finance minister has said that rather than buy himself a new pair of shoes, he chose to buy his grandkids new pairs of shoes. I suppose that's pretty appropriate because it's going to be his grandkids who are going to have to pay back the debt that he's borrowing on their behalf today. I think it's shameful.

In summary, Mr. Speaker, Albertans were hoping that in this throne speech they would see some humility, they would see some leadership from this Premier, and they would see a government that desperately needs a change. Instead, they got a laundry list of vague promises and an uninspiring indication that the status quo will continue. This throne speech will not put this government on track to recapturing the trust of Albertans. It will not solve the big problems that Albertans want the government to act on. It has no real solutions to our finances, to health care, to education, or on dealing with the pressing needs of our municipalities. I'm afraid that most Albertans will agree with me that despite the best intentions expressed in this throne speech, this is a government that clearly just can't deliver.

With that, I'd like to move to adjourn debate.

[Motion to adjourn debate carried]

#### 3:30 Committee of Supply

[Mrs. Jablonski in the chair]

**The Deputy Chair:** I'd like to call the Committee of Supply to order. Hon. members, before we commence consideration of supplementary supply, I would like to review briefly the Standing Orders governing the speaking rotation. As you know, yesterday the Assembly approved amendments to the Standing Orders that impact the prescribed rotation for supplementary supply consideration. As provided for in Standing Order 59.02, the rotation in Standing Order 59.01(6) is deemed to apply, 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,
- (c) for the next 20 minutes, the members of the third party, if any, and the Minister, or the member of the Executive Council acting on the Minister's behalf, may speak,
- (d) for the next 20 minutes, the members of the fourth party, if any, 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.

During the above rotation speaking times are limited to 10 minutes.

The amendments to the standing orders that were approved yesterday by the House now provide that the above rotation continues to the extent possible for the time remaining. However, the speaking times are limited to five minutes as set out in Standing Order 59.02(1)(c).

Government Motion 6, approved by the Assembly yesterday, provides for six hours of consideration for supplementary supply. Accordingly, this time frame allows for another complete rotation of the above-noted time allotments. For the balance of the time remaining the chair will recognize members in accordance with the prescribed rotation, but the time allotments will revert to five minutes for the member, followed by five minutes by the member of Executive Council.

The chair appreciates that this is a new procedure, so if members have questions as to when their caucus will be called in the rotation, please approach the table or send a note to the chair.

We will now proceed to the estimates.

#### Supplementary Supply Estimates 2013-14, No. 2 General Revenue Fund

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

**Mr. Horner:** Well, thank you, Madam Chair. I would like to move the 2013-14 supplementary supply estimates, No. 2, for the general revenue fund.

When passed, these estimates will authorize increases of \$2,014,000,000 in voted operational funding, \$223.2 million in voted capital funding, and \$10.7 million in voted financial transactions funding for the government. The estimates are consistent

with the amended 2013-14 fiscal plan presented in the appendix and will authorize additional funding for 13 departments: Aboriginal Relations; Culture; Education; Energy; Environment and Sustainable Resource Development; Executive Council; Health; Human Services; Infrastructure; Municipal Affairs; Service Alberta; Tourism, Parks and Recreation; and Transportation.

The requested funding includes a little over \$1.3 billion for flood recovery activities by 11 of the 13 departments involved, and the ministers responsible for these departments will be pleased to answer any questions from the members of this House or their designates, Madam Chair.

#### The Deputy Chair: Thank you.

Just before you proceed, hon. member, in the past we have either had the members speak their full 10 minutes and then the response is a full 10 minutes or you can choose to go back and forth for the 20-minute period. Can you let us know which way you would like at this time, please?

**Mr. Anderson:** I think we'd like to go back and forth, and I don't think we'll be spending an overly large amount of time.

The Deputy Chair: Okay. The hon. Member for Airdrie.

**Mr. Anderson:** All right, Madam Chair. See, I got that on the first try. We'll note that.

The first 2013-14 supplementary supply estimates, back in November, increased operational spending by \$625 million and capital by \$140 million. This second supplementary supply will increase operational spending by over \$2 billion and capital spending by \$223 million.

Much but not all of the increase that we can see in here is due to the 2013 Alberta flooding. According to the updated fiscal plan operational spending is up about \$700 million in nonflood operational spending. It is clarified further on in the document that when you take away federal flood money, revenues this year will top \$42 billion. That's \$3.3 billion more than budget and \$2.5 billion more than our previous provincial record of 39 and a half billion dollars, set in the Premier's first year.

The government on the other side is clapping for those huge revenues, which is dumbfounding because despite these record revenues, Madam Chair, this government is unable, or I would say unwilling, to balance the budget. That's an embarrassment. That's what that is.

I do not understand, and we would like to understand from the ministers why, when you've gone through this results-based budgeting process that you keep harkening to, you have been unable to find enough efficiencies that you don't need to ask for more non flood-related money, why you could not find efficiencies in other areas to mitigate the \$700 billion ask. We understand in here that, for example, in education we need \$70 million more for unexpected enrolment. Obviously, that needs to be paid. There's no doubt. But why could we not find efficiencies in other areas of government to offset that requirement?

Why could we not find \$34 million for the start-up costs associated with the Alberta Energy Regulator? How could we not have looked at other efficiencies in government to find that amount so that we're not here having to ask the taxpayer for more money?

We've given in our alternative budget, which we presented to the President of Treasury Board, many examples of where money could be saved. We would never expect him to follow all of our advice, obviously, but certainly there are some savings there that could be used to offset the amounts, the need to borrow another \$700 million.

Although we're not going to take issue, I don't think, with any of the specific line items in these supplementary estimates in Bill 2 here, it's still very frustrating that we have to do this. Why isn't the results-based budgeting process working? How can we smash our provincial revenue record and still be borrowing \$3.7 billion this year to build capital? Why can we not pay our bills even in these best of times, revenuewise?

Madam Chair, if we can't get it right now -I mean, there might be another couple of years in front of us where, you know, we have high oil and gas royalties, in excess of \$100 a barrel and so forth for oil, et cetera, et cetera. I hope so. But, boy, we're sure putting ourselves in a heck of a pickle here if revenues go south at all at this point. That's really disconcerting for me as a father of four and for many Albertans and, I'm sure, many parents in this room, the effect that that will have on our kids' future if we don't get our spending under control and have a sustainable budget.

Asking for \$700 million of non flood-related spending in a record revenue year: it's just not appropriate. We shouldn't be doing it, but we have to because most of these items in here are not really optional. I mean, you really do have to. These are legitimate expenses. It's just that it's too bad that savings couldn't be found. That's really my critique or problem with this process.

#### 3:40

I will say that I'm completely supportive of what the government asks with regard to the flood-related spending and rebuilds. There are, of course, some issues on the education file that were a little bit questionable with some of the capital that was used in the Premier's riding, whether that was really necessary, but that debate has already taken place, so I won't dwell on it here. Other than that, most of the flood-related spending in here seems to be appropriate.

With that, I will - now, how does this work? A point of clarification: if it goes back, can I have another member of the caucus stand up within our time, or do we have to wait it through?

#### The Deputy Chair: No.

Mr. Anderson: Okay. Those are my questions, Madam Chair.

The Deputy Chair: Thank you, hon. member. The hon. President of Treasury Board.

**Mr. Horner:** Thank you, Madam Chair. The hon. member talks about balancing the budget, and he mentioned yesterday in one of his speeches about the consolidated balancing. I know he was referring perhaps to the way the federal government might balance their budget. Hon. member, I'm assuming that's probably what you're chatting about or perhaps the B.C. government – maybe that's the one – or Saskatchewan, which actually had qualified statements prepared by their Auditor General. Not a very good thing to have happen to you.

I'm curious, Madam Chair, if the hon. member will criticize Mr. Flaherty when he comes out with a balanced budget, which he intends to do, which includes a significant amount of borrowing within his balance sheet in his time. I'm curious whether he will stand up in this House and claim that the federal Conservative government is misleading the people of Canada and Alberta with their financial statements because they're not really balanced. I'm curious about that because I've been in consultation with some of the other Finance ministers across the country about where we're all at in terms of our finances.

I would point the hon. member to page 75 of the supplementary estimates document, which shows that we have indeed done considerably better this year than what we had put out in our budget last year. In fact, in my third-quarter estimate we did actually foreshadow what was in the supplementary estimates. We prepared a consolidated statement of the fiscal plan, which shows that rather than having a deficit in the net assets or consolidated financial statements of \$1.97 billion, which was what was in the budget previously, we're going to end up probably around the \$335 million mark. As well, we're going to have a considerable amount more in our contingency account at the end of this year than what was budgeted because, Madam Chair, we didn't budget for the flood. We didn't budget for the largest economic disaster this country has ever seen. Yet because of those high revenues and because of the fact that we had money in the contingency account, we were able to manage what turned out to be a very significant hit to our operating budget and now a very significant hit to the capital plan.

Do you know what, Madam Chair? We're showing Albertans how we're going to pay for our capital plan. We're actually putting it on paper and putting it in financial documents so people can understand where the money is coming to and from. You know, the suggestion from across the way was that there was some document that the Wildrose Alliance had put out there that showed something like a budget or balance sheet. I haven't seen it, but I would love to. I would really like to see where they're going to come up with \$4.8 billion a year for the next 10 years without going to savings - maybe that's what they're going to do - or without raising taxes or without cutting education, health care, human services, the environment, any of the departments that are large enough. Well, health care, obviously, would be the big one. They would have to probably take a couple of billion dollars out of health care, which would be an interesting thing for Albertans to understand where they really stand.

Madam Chair, he's right. This is a very significant amount of money, and we had a very significant event. The floods in 2013 were a \$6 billion event that this province was able to manage and still come out of with being the only jurisdiction that has no net debt, that has net assets. In fact, it has net assets of some \$44 billion. Net assets: that's our net worth. There isn't a province in Canada that can stand in their Legislature and say that except this one.

Madam Chair, I look forward to tomorrow because I think the hon. members opposite will be happy about the plans that we're going to be putting in place. But tonight is not about tomorrow. This afternoon is not about tomorrow. This afternoon is about the supply estimates.

I think I've answered some of the general questions that the hon. member had. My understanding of what we were going to do, hon. member: from the listing – we have the ministers here – if you'd like to maybe go through each one, and you can do the questions back and forth like we've done in the past. Is that the way you want to?

#### Mr. Anderson: Sure.

**Mr. Horner:** Okay. I will do the Energy estimates, when we get to that, I guess, on behalf of the hon. Minister of Energy.

But just as another piece of information that I think is important to get on the record, there is \$1.3 billion worth of flood-related requests in the \$2 billion. There are also things like \$160 million worth of energy costs for marketing oil. We're actually not asking for more money. We're changing the way we account for it. We're putting it separated so you can actually see what the revenue is and the cost of the transportation. It's an accounting change. It's not asking for new money, as the hon. member might suggest.

There are legitimately new money requests in here because our population grew by 105,000 people last year. We had a lot of people move into our province, and they came, Madam Chair, why? Because we've got the jobs. We created 70,000 jobs last year, the most in all of Canada. That meant that we had to do some other things, and we did have increases in the Education components, obviously in health care, in Human Services, all of those components where we are going to be dealing with a larger population because of the volume.

Outside of the flood, the \$1.3 billion, outside of the energy accounting change of the \$157 million or \$160 million, there were, yes, increases to the budget because we had the largest increase in our population that this province has seen, and we needed to adjust to it. Thank God that we had the financial resources to do that without borrowing for operating, because that's what we did, Madam Chair.

The Deputy Chair: Thank you.

**Mr. Anderson:** You just heard the minister's strategy for balancing the budget: thank God. That's the strategy right there. I'm not saying that that shouldn't be one of the arrows in the quiver, but maybe we should rely on a little bit of common sense and not just divine intervention to help us balance our budget, Mr. Minister.

I think that the minister attempted to answer as best he could. He is, of course, restricted by the facts, so it's difficult for him, but I have no further questions at this time on this bill.

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

Are there any other members from the loyal opposition party? Hon. Member for Rimbey-Rocky Mountain House-Sundre, would you like to go back and forth, or do you want to talk for 10 minutes?

Mr. Anglin: I'll just take the 10 minutes, Madam Chair.

**The Deputy Chair:** You're going to take the 10 minutes? Thank you.

**Mr. Anglin:** It's easier that way, and hopefully I don't even have to take up the full 10 minutes. I just have some questions, and I'm hoping the ministers can answer the questions.

There is a significant amount of money in this supplementary that clearly has to do with the whole debacle with the flood, and I fully understand that. It is reasonable to presume, as the minister just said, that we didn't budget for the flood, nor can you. With an event of that magnitude, if that becomes a regular item, then we have to rethink how we're going to live in this province. But the fact is that it does happen, and we have to deal with it.

The question I have is: with a lot of the money that was allocated to the disaster recovery and to some of the municipal flood readiness, where are we? What I don't get from the report – I just get the total amount – is: how was it spent to prepare for us, particularly, going into the next budget? Clearly, I think the minister knows. I'm going to use Sundre as my example because I have intimate knowledge of this one community, but it still applies to all the other communities in these floodways, whether it's Drumheller, whether it's High River.

#### 3:50

Sundre is the community where I have my office, it's where I have very good relations with members of the community, and it

is a community in imminent threat of flooding should it happen again this spring. I can venture to say that it will happen in one form or another. The key is: how are we spending that money, and are we doing the right thing? Does that dovetail with our future plans that will be coming up?

A couple of questions I really have. I believe there were some spurs that were built for some flood mitigation, and that would be probably under the heading of some sort of erosion control or bank control. I have seen that in government reports.

The other is dealing with spurs. Clearly, if we're going to do flood mitigation, we are going do some work with the erosion of the banks, we are going to be building spurs, and we have to also be thinking about dredging. There was money spent on dredging both in I believe Canmore and High River, but there was no money spent on dredging in Sundre unless the minister can correct me on that. I'm pretty sure that no money has been spent on dredging in Sundre.

The key here is this. Where are we with the money that we've spent? I know there's been money allocated. It's in here somewhere. It's been allocated to do some additional studies. I believe the county of Mountain View got an allocation of money for the Sundre area dealing with the headwaters of the Red Deer River, which, by the way, will affect Red Deer, which will affect Drumheller and all the communities downriver. If we take care of the headwaters, we do sort of get ahead of the curve a little bit, helping all those other communities downriver in dealing with the flood. The question is: how much of this money has been allocated both from ESRD and under Municipal Affairs? I'm not clear where the overlap on some of the money spent occurs, but each shares in the responsibility as it falls under their jurisdiction.

What I want to have, hopefully, a clearer understanding of, particularly as it relates to dredging, is that this is an area that I think is absolutely paramount to the flood mitigation for the community of Sundre. They have long bridges that have a very shallow riverbed going underneath them, and of course when that river rose, as the Minister of Transportation understands, we lost some bridges here. I believe that that money would be in the allocation or in the supplementary dealing with Transportation and Infrastructure as we repaired those bridges. What we don't want to do is have to repair those bridges again. I think we can all agree on that.

What I'm really looking for is sort of connecting the dots, connecting the dots from the previous supplementary to this supplementary, which is now dealing with a lot of issues as we move forward into our budget, and how we're going to connect the dots here. If the minister or ministers, because it does criss-cross ministries here, could give an explanation of how much of these monies were on flood mitigation, particularly relative to the high-risk communities – specifically, I'm interested in Sundre – that deal with berms and spurs, the two items, the third item being dredging. It is clear from the people who live in the community that if we take some very economic measures, like cleaning the debris out of the river north of Sundre, we could actually save a tremendous amount of money if the river were to pass unimpeded.

It is when trees fall into the river and act as, you know, nature's own dams that causes the river to cut a new path. The minister knows, after his visit, that the Red Deer River upriver from Sundre has moved almost a complete mile from its previous riverbed. It does have that ability to change and shift just because – and I refer to it as a gravel delta – it is very wide. The river can shift easily from one channel to another, depending on just a small blockage, whether it be trees or any other type of debris that would form.

What every study has confirmed to this point is that there needs to be a short-term plan to deal with what's coming up this spring, there needs to be a long-term plan that needs to fit into, hopefully, what we've spent so far, and that plan has to take in three items: berms, spurs, and dredging. Without this I'm not sure how we can get a plan to work. Really, the two ministers that I'm focused on are the Minister of Environment and SRD and the Minister of Municipal Affairs. If they could connect the dots for me, I would appreciate that.

I will tell you this. The money that you spend and the money that you've spent here has a tremendous impact on saving us money in the future. As the Minister of Finance just stated, you did not plan for the flood; you could not have planned for a flood of that magnitude. But what we can do is plan on the prevention so that we don't have to suffer something of this magnitude again. That's the key. I want to make sure that the money that we did spend and the money that we're going to spend is doing exactly what we need to do so that we never have to endure a disaster of this magnitude.

The disaster affected lives, it affected property, and it affected the economies of these communities. It killed the economy when it destroyed those small businesses. It took a long time to start to rebuild these communities, and they may never be the same again. Sundre doesn't want to go through this once again. This is a serious issue dealing with the one community. It's a serious issue dealing with every community that faces this every spring. It is not something that we can minimize or marginalize. It is something we have to take very seriously.

Most importantly, in these dollars that we spend, what is dealing with planning versus what is dealing with action? Most of these communities have seen document after document dealing with planning, the community of Sundre being one. We've done multiple studies. What we're looking for is committing to action and taking action. If the minister could explain what action has been taken physically with the money that's been spent, what actions remain that have been identified, and how this goes from this point to the next point, that would be extremely helpful to the citizens of Sundre. I believe the mayor and council are up here this week for the breakfast, and they certainly would like to hear some good news on what the game plan is. So what's been done, what needs to be done, and what, really, is the long-term plan?

Thank you very much, Madam Chair. Hopefully, the minister can kind of connect the dots for me.

**The Deputy Chair:** There are now 10 minutes available for any member of Executive Council to respond. The hon. Minister of Municipal Affairs.

**Mr. Hughes:** Thank you very much, Madam Chair. Well, I'll certainly attempt to connect the dots. Sometimes the dots may not be completely connectable, but I'll do my best.

You know, these are important questions that the hon. member has raised, and I do appreciate the comments in general from the hon. Member for Airdrie in terms of the support for the work that this government has done. We appreciate that support and appreciate the encouragement that we're all providing to ensure that we support southern Albertans who've been through this catastrophic event.

The hon. member was asking, largely, about mitigation measures that are being done in Sundre. As he well knows, I was in Sundre on the 7th of February. I met with representatives of Mountain View county and the town of Sundre. We had very, very constructive discussions. There are two or three different aspects there. We work very closely with the municipal governments and work with them to meet their needs as they define them, supported, obviously, by engineering work that has to be done. We want to do the right things, not the quick things. We want to ensure that we build up so that communities are prepared should there be a spring flush or a high flood anything at all like there was last year.

The hon. member called it dredging. Really, it's scalping. Removal of the rocks and debris in the river course tends to happen without actually going into the water, so it tends not to be dredging but scalping out the gravel and the debris and the rocks that have been deposited there by high water. That's really an initiative led by the municipality if they see that that is something that needs to be done. They work with their engineers. We help them fund that work.

#### 4:00

You know, we have a lot of mitigation work being done around southern Alberta, that's already started, where equipment is out on the road already, getting ready to do this work. A lot of it will be done over the next month or two months. Many communities are preparing to be ready by the middle of May so that they have all of the berms – the berms and spurs, as the hon. member calls them – in place well in advance of where we would normally expect there to be a risk of further flooding.

Actually, we've allocated – you can see the numbers in the plan – very substantial resources to the mitigation across the province. Some of those projects are still being costed because the engineering work is still under way, so the final cost we'll see at the end of the day. But we've allocated very substantial resources to make sure that we're ready, that these communities are protected, that the berms are built, and that they're built in time. That's obviously what we're doing in every single community that's been affected. We're working with the reeves and the mayors and the councils of all of these communities.

Obviously, there's erosion control along the sides of the rivers as well and on the edge of important infrastructure like bridges. The member referred to the bridge in Sundre. There's an awful lot of work that is going on. You'll see that there are trucks travelling around this province loaded down with big rocks that are, you know, hardening the sides of many rivers in order to prepare for the future.

The mitigation initiatives throughout the major watersheds that were affected last year: some mitigation projects can be done this spring. Those are the smaller ones. Those are the rock barriers along the sides of rivers. Some will take much longer. Some will be multiyear projects, undoubtedly. But we expect to be in a position before too long to address both short-term and long-term needs for these communities in order to protect them. The goal is to protect Albertans and ensure that communities are protected from future floods.

I know that that doesn't answer in a great deal of detail. If the hon. member – and I say the same to any of my colleagues on all sides of the House – has specific suggestions or specific projects that they think perhaps a community is not seeing or that they're not hearing back on in time because of the volume of projects going on, I'm happy to entertain a conversation to explore that and to work with MLAs and with the communities, the municipal leaders, whether of counties or towns or cities or villages, in order to make sure that we help everybody be ready for a flood should there be that possibility this spring.

Thank you, Madam Chair.

#### The Deputy Chair: Thank you, hon. minister.

Are there any other members of Her Majesty's Loyal Opposition that would like to speak?

Seeing none, we'll move on to the second. This is 20 minutes that you can take. Hon. Member for Calgary-Buffalo, did you want to go back and forth, or do you want to take your 10 minutes?

**Mr. Hehr:** Well, we'll see what we're going to do here. Yeah, we'll go back and forth. I'm going to rattle a little bit, and then hopefully they'll rattle a little bit. We'll sort of go by their - I don't think anyone is going to get their shirt in knot about too much of what I'm going to do. Does that sound fair?

#### The Deputy Chair: Certainly, hon. member.

**Mr. Hehr:** All right. There we go. Well, you know, it's an honour and privilege to speak to supplementary supply estimates, to offer a few comments and, hopefully, direct a few questions towards what has sort of gone on here over the course of the last year.

It's always sort of interesting when you get a chance to see the Minister of Finance as well as the Wildrose Finance critic offer their various solutions to today's problems and various interpretations of what has or has not transpired in this province. It's really sort of a neat experience. First off, you have parties that, in my view, essentially believe in the same thing. They believe in the same fiscal structure, so how can you really do things differently? The other thing is the viewpoints of the past, where the Minister of Finance says: what a glorious record the Progressive Conservative Party has had in terms of managing our finances.

Here is where I will agree with the hon. Finance minister or the Finance critic of the Wildrose. When you look at that *Economist* article that was written in the *Economist* some months ago, that was going through jurisdictions positively and negatively as to how countries or regions have dealt with their oil wealth, they single out Alberta for having abjectly failed in its obligation to save this oil wealth for the future. They say that we've run it essentially like a tinpot despot would, you know, with no idea or no clue on what to do with the oil wealth. So on that the Wildrose Finance critic is correct although on other things I'm not so certain.

In any event, turning to the flood, it looks like much of these expenses were related to the flood as well as to regular population growth exercises, that really should be funded as a matter of course. My comments on the flood are, one, like the comments from the last speaker, that we have had to mitigate for damage.

I will also put a bug in the Minister of Municipal Affairs' ear because I believe he's the minister in charge. Although the federal government said that they would look at somewhat of a national flood insurance program, it was really kind of a lukewarm response that I saw out of the federal budget. In my view, if the federal government doesn't get onto this program pretty quickly, the Alberta government should seriously consider moving ahead with its own provincial flood insurance program. In my view, this could be accomplished given the fact that we're headed for five million people. Also, it would be prudent in that 57 per cent of the natural disasters that have occurred, that have tapped into the national program, have emanated from Alberta. So it would be very important for us to move along that path should the federal government forgo the opportunity to provide what I think would be in this nation's and definitely in this province's best interests.

Moving on to some specific questions, I notice that the Minister of Education is here, and possibly I could direct them there. Some supplementary amounts were unutilized by his department. So I'm just looking at the operational program spending, operational support for public and separate schools, and I believe that says that it's almost \$63 million. Is that primarily due just to population growth and strictly per-pupil grants? Would he have a number of how many extra students that would have covered?

The Deputy Chair: The hon. minister.

**Mr. J. Johnson:** Yes, Madam Chair. That's accurate. The member is right. The increase in the operational grants to school boards is primarily and almost exclusively for the enrolment growth that was unexpected or beyond our forecasts. In total about 18,000 students were added to the school system last year, up from about 600,000 the previous year.

The Deputy Chair: Thank you, hon. member.

**Mr. Hehr:** Are the numbers and the increases to accredited private schools and accredited private early school service operators the same?

**Mr. J. Johnson:** Yep. The total number is just over \$60 million, and about \$2 million of that is to accredited private schools and about \$2 million as well to accredited private early childhood service operators. The rest would have been to the public schools. *4:10* 

**Mr. Hehr:** On the capital projects it says that you got some money for "35 new schools and modernizations re-profiled to 2013-14 due to project delays in 2012-13." Just to confirm, these were not any of the new schools or modernizations promised by your political party in the last provincial election, were they?

**Mr. J. Johnson:** No. This is just cash flow, basically money that didn't get spent from the last year, like you said, due to projects where the money is just not out the door because they were delayed in one sense or another or other reasons. But the money was there, approved for budgeted schools, and it was just the cash flow of the projects.

**Mr. Hehr:** Now, I don't see it specifically mentioned here, but there were some spending announcements after the flood in regard to education, in particular the rebuilding of Elbow Park school. I believe the ministry and the government of the day earmarked \$10 million for the building of Elbow Park school. Is that in this supplementary estimate here?

**Mr. J. Johnson:** Some of that is, and then a good part of that is with all the flood dollars that we had in some of the other sup estimates. I believe there's about \$20 million out of here for the flood recovery. Part of that is for the modular classrooms, not just at Elbow Park but also at Notre Dame and Senator Riley and in High River. The Sprung structure: about \$650,000 for that. That was at Elbow Park, that temporary gym structure that we put up there.

**Mr. Hehr:** Was any of this earmarked for the actual reconstruction of the old school?

Mr. J. Johnson: No, they're not.

Mr. Hehr: When will that money be forthcoming?

Mr. J. Johnson: That's in upcoming years.

Mr. Hehr: Okay. Well, thank you very much.

I think those are all my questions, Madam Chair, and I thank the hon. member for answering them.

The Deputy Chair: Thank you very much.

We'll move to the fourth party. Hon. Member for Edmonton-Strathcona, we've just started another 20-minute block for you. Would you like to do 10 minutes and 10 minutes or back and forth?

**Ms Notley:** Well, I'm still kind of rushing through things right here. I think I will try 10 minutes, but I'll ask questions in the course of it and then ask for answers back, I guess. We will see. Yeah.

#### The Deputy Chair: Okay. Thank you.

**Ms Notley:** What's that? [interjections] Yeah. I don't know. We'll see. I'm just sort of going through this. This is very off the cuff. Let me just say that.

I guess one thing I do need to point out is that these documents didn't reach our office until this morning. They were provided to the MLAs in the House yesterday. Our staff had made inquiries to get these documents provided to our office last evening so that they could do what they often do, which is work late into the evening, going through this stuff. Those documents were not provided and didn't arrive in our offices till this morning. I will say that we are a bit frustrated by that process, and I hope that that will not be repeated with additional stuff going forward.

We're looking at a fairly significant increase, and I guess I have a few questions around . . .

**The Deputy Chair:** Hon. member, I hate to interrupt you, but the noise level is getting pretty high here.

Could I ask all the members to please keep the noise level down? If you have a serious discussion, you can take it out into the outer rooms. Thank you very much.

**Ms Notley:** I'll be directing my questions and comments to Health, Human Services, Advanced Education, and Energy, and I think that's mostly where my questions and comments will be focused. I'm hoping that somebody will answer in the event that the minister of that particular area is not here, that somebody else will answer in their stead.

I guess we might as well start, then, with Innovation and Advanced Education. I am assuming that the \$53 million that we're putting in there is the one-third restoration of the \$147 million cut that was announced in April. Is that correct? Okay. I guess I said that I was going to go 10 minutes, so that's my first question. Is that what that is?

Then my question is: how did we come up with that \$53 million number? I'm sure, as members on the other side know and people in the public know, our position was that the \$147 million clawaway from the ministry of advanced education was not a positive development, but I am very curious as to how the ministry came up with the \$53 million that went back into it. What were their criteria? How does that particular number fix the multiplicity of problems that we've seen develop as a result of that \$147 million cut?

Today I joined with some university staff-worker unions to call on the government, of course, to complete the restoration of the \$147 million that they cut. So we've got the \$53 million here. We've got the other \$100 million that also needs to go back in there along with the increases that were promised by the government to Albertans, frankly, in the last election, which was regular, predictable, stable funding at the rate of about 2 per cent per year over three years. That was actually what was promised in the election. Instead, we got a \$147 million cut, and then we got a \$53 million return. So my question is: how is that \$53 million calculated?

I'm wondering if part of that calculation relates to what I've started referring to somewhat casually as a chaos premium or a chaos tax. I'm sure the minister of advanced education will have seen the comprehensive institutional report that was put out by the University of Alberta or at least appended to its minutes in January, which talked at great length about the level of chaos and the level of cost incurred within the institution, not by simply losing the money and having to cut those services but also the insecurity and the chaos that those cuts caused and the additional cost that that created and the lost opportunity that that created as a result of the rather extensive damage to their reputation and the contracts which suddenly were cancelled and the high-level academics and students that they had hoped to attract to the university who then left because they perceived that the postsecondary system in Alberta was under attack, all of that stuff.

My question is: what does that \$53 million that we are putting back in do? How does it work in relation to the \$147 million that was cut in April?

Of course, I take this opportunity to say again that I certainly hope that the government, with its new-found wealth, might reconsider the commercialization and Americanization of our postsecondary system plan that they appear to be on and, instead, focus on developing a postsecondary system that actually is able to serve Albertans and serve as an opportunity for people to improve their quality of life and their income-earning potential over time, which is not what's happening right now as much as it could be. So those are my comments about the additional money going into advanced education.

Now, I do know that one of the ministers here was at one point responsible for the issue of PDD. I'm not sure if he still is or if he's been moved around now, so I apologize for not remembering everyone's roles, but hopefully someone can answer this question. We see in Human Services an additional \$81 million, and I would like to know what that's for. We were told that the roughly \$40 million that was planned to be taken from PDD would not be taken, so I'm assuming that that's part of the money that's in that \$81 million. That is my question. Is that what's in the \$81 million?

My other question is: what's the other money? I know that certainly historically it's often been the case that the government has come in here and made fairly major cuts to income support under the sort of somewhat delusional assumption that as the economy improves, those at the lowest end of the economy will just improve as sort of a percentage of GDP growth. We know that that's not happening, that the level of inequality in this province is in fact growing, and that every time we recover from a boom, the lowest sector of the population, or the population that's most at risk, does not actually recover with the rest of the population. So we have this cycle of boom-bust, but the difference between those benefiting from the booms and those who are not grows each time.

#### 4:20

That's significant. What it means is that when the government projects that it can cut \$50 million from income support, really, in fact, that's probably not a wise projection. Just because the economy is picking up does not mean that income support is going to be reduced accordingly. That's what I've found in the past, that it's often been the case that the government has come in and said, "We're going to be able to knock all these people off income support," and then, lo and behold, in supplementary supply we're asking for that money back. We have set up administrative processes that make it absolutely almost impossible for people to get I'm wondering if that's the other portion of the money that is going back into Human Services. I think it's important. I'd like to make the point, of course, that the throne speech said absolutely not a single, solitary word about the Premier's at the time profoundly cynical commitment to end child poverty in five years and then ignoring the issue for the next two years.

That being said, this issue of income support is absolutely fundamentally linked to it. Children are not poor in isolation, and children do not become members of the middle class while their family is otherwise living on \$700 a month in substandard housing. Frankly, the access to income support that is required by families that are at risk, where children are living in poverty, is very important.

I certainly hope that we are increasing income support. Frankly, we need to increase levels of income support. I challenge anybody on that side of the House to raise a family of two and feed them and live in safe and secure and non bedbug-infested accommodations in either Edmonton or Calgary for under a thousand dollars a month, which is currently what they're being asked to do in many cases. That's just a little aside.

That being said, I'm wanting to know more details around what the increased money going to Human Services is for. Alternatively, was that additional money that went out with the money cards during the flood? Maybe that was it, too. I don't know.

Another question relates to energy. I see that we're looking at about \$35 million for the AER.

**The Deputy Chair:** Thank you, hon. member. The hon. Minister of Aboriginal Relations.

**Mr. Oberle:** Thank you, Madam Chair. It's going to come, apparently, as a complete surprise to this hon. member that you just can't simply raise every budget in every department in every year. From time to time there will be difficult decisions that have to be taken. You heard members opposite in another opposition party taking quite the opposite view to that which you did, which had us cutting significantly more out of our budget. So we did indeed make some difficult decisions, and one of them was cuts to operating grants, a \$147 million reduction to postsecondary institution operating grants last year.

We did, however, at that time recognize that there could be or would be increased enrolment pressures, and we promised that if conditions improved during the year, we would address those enrolment pressures. Indeed, conditions did improve during the year, so we are now looking at a \$53 million increase to address enrolment pressures.

Now, for the hon. member to suggest that this is somehow a chaos premium, as she said it was, is facetious and somewhat insulting. I can assure her that members of staff and the minister himself worked with institutions to determine what their pressures were and came up with an appropriate funding level. If that truly is the low regard with which that hon. member holds her fellow duly elected MLA members of this Assembly, then I might suggest that she find another line of work, because this one isn't going to be a very happy or productive one for her.

#### The Deputy Chair: Thank you, hon. minister. The hon. Minister of Municipal Affairs.

**Mr. Hughes:** Thank you, Madam Chair. In the absence of anybody else here to answer the question with respect to Energy and given that I have some passing familiarity with the question, I'm happy to try and be helpful although perhaps not as definitive as one of my colleagues might have been.

The hon. member has asked about the \$34.3 million with respect to energy regulation. That is to help with the initial standup of the Alberta Energy Regulator. It relates to investments that were required both from a timing of capital availability perspective and also from the perspective of investments like technology investments that needed to be made to accommodate the single regulator taking on the responsibility not just for the six energy statutes but also the four environmental statutes as well. So it's really one-time capacity building within the Alberta Energy Regulator, and subsequent to that the regulator is paid for by fees paid by industry through an allocation to industry for services they receive from the Alberta Energy Regulator. I hope that answers the hon. member's questions.

#### The Deputy Chair: Thank you.

The hon. Associate Minister - Persons with Disabilities.

**Mr. Bhardwaj:** Thank you very much, Madam Chair. You were asking about \$81.6 million for PDD. Sixty-three million dollars of this for PDD was to slow the pace of change and also to address the higher caseload. Traditionally in PDD the growth is about 2 per cent, and last year we had an unprecedented growth of about 7 per cent, so we took in more than 700 people. Out of the \$63 million approximately \$42 million is to support the PDD transformation. The new contracts with the PDD service providers will help support the individuals to achieve positive outcomes, so that's where the \$42 million is going.

Government also committed, however, at that time to defer signing of the new contracts to give service providers more time to assess individual needs up to an appropriate service level. The key results now, if we look at it today, are that 99 per cent of the service providers have signed on to the new outcome-based contracting, which we were talking about. By slowing the pace down, it gave the individuals the opportunity to adapt to what we were looking for, so now 99 per cent of them have signed onto the new contracts.

The other clarification and change they were looking for is in terms of the supports intensity scale, SIS, program. If we look at it today, 96 per cent of the individuals have SIS assessments done right now, so the system itself is working fantastically well.

PDD also has been working with service providers to create an actual plan which will outline their transformational strategy. I can tell you that 75 per cent of them have completed their transformational plans as well.

Included in the \$63 million, also in the PDD program, was an additional \$21 million to address the caseload. As I alluded to earlier, we had about a 7 to 8 per cent increase in the caseload, approximately 770 people, of which 713 were eligible, so that's why 81 point some million dollars was asked for.

Thank you very much, Madam Chair.

#### The Deputy Chair: Thank you.

Are there any other members of Executive Council that would like to address the comments made by the Member for Edmonton-Strathcona?

There are four minutes left in the block of time.

If you wanted to speak, hon. Member for Edmonton-Beverly-Clareview, you have four minutes.

**Mr. Bilous:** Sure. Thank you, Madam Chair. I have four minutes, and then the other side has . . .

**The Deputy Chair:** That's the total amount of time between you and a minister, so if you want to ask a minister a question, make sure you address that person.

**Mr. Bilous:** I'll defer to the Member for Edmonton-Strathcona. I prefer for it to cycle back through, so I have a full block of time.

**The Deputy Chair:** Well, there's another rotation. Then you'll have to wait to the second rotation.

Mr. Bilous: Yes, Madam Chair.

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

**Mr. Bilous:** So I'll defer to the Member for Edmonton-Strathcona. *4:30* 

The Deputy Chair: You want four minutes?

**Ms Notley:** I'm wondering if the Minister of Health can begin answering probably a series of questions that we will ask around the money going back in vis-à-vis the proposed change to the seniors' pharmacare plan, what was planned to be coming out of the budget, and what is now going back into the budget. I believe there is an increase there that you're asking for, and it's related to the delayed implementation of that plan. So we'd be looking at: what were the assumptions last year, what were the annualized assumptions, and what are the changed assumptions going forward as a result of the delayed implementation of that plan? I may run out of time, and he may run out of time, but we can start the discussion.

The Deputy Chair: The hon. Minister of Health.

**Mr. Horne:** Thank you very much, Madam Chair. I'll do my best. I'm sure the hon. member knows that in supplementary estimates and certainly prior to budget day I'm not in a position to discuss any go-forward initiatives with respect to this program or any other program. Obviously, what I can talk about today are the items that are included in supplementary estimates.

With respect to drug and supplemental health benefits, as I think the hon. member would be aware, a portion of the supplementary estimate for Health is related to a delay in the implementation of changes to drug and supplementary programs in the fiscal year that is about to conclude. We had a delay in implementing some of these strategies that resulted in an anticipated savings of \$45 million this year, that was therefore forgone. So these supplementary estimates for my ministry take those forgone savings into account. They obviously create an issue in the current fiscal year, which is addressed.

I can answer in subsequent questions as to how that \$45 million works into the net amount that is requested by the Ministry of Health in supplementary estimates for this current year.

The Deputy Chair: Thank you, hon. minister.

There is a minute and 13 left, hon. member.

**Ms Notley:** Well, I'm just looking through the numbers from last year's budget, and it looked as though the expectation was that just this year, understanding a delayed implementation, we were looking at a savings of about \$60 million. Then, of course, it was

deferred I think in its entirety. As a result, there was an extra \$45 million, that we're asking for now. My question is: what happened to the other \$15 million to \$20 million?

The Deputy Chair: Thank you, hon. member.

**Mr. Horne:** Well, Madam Chair, the difference obviously represents efficiencies which were used to offset other increases in expenditures, notably physician compensation and other aspects of drug and supplementary benefit costs, in particular high-cost drugs for cancer and high-cost drugs for rare and orphan diseases. So the answer is that the net amount was used to offset anticipated overexpenditures in other areas of my budget.

The Deputy Chair: Thank you, hon. minister.

We will now move to the next 20-minute block, set aside for the independent member. The hon. Member for Fort McMurray-Wood Buffalo.

**Mr. Allen:** Thank you, Madam Chair. It's a pleasure to rise. This is the first time I've spoken to the supplementary supply estimates.

**The Deputy Chair:** Hon. member, I hate to interrupt, but would you like to take the full 10 minutes, or do you want to go back and forth for the 20?

**Mr. Allen:** No. I've just prepared some comments to make, and there's perhaps one question in here. I'll just go through my notes and allow the minister to address those if he sees fit, probably the President of Treasury Board.

I guess, you know, technically, I was told that now as a member of the opposition I'm supposed to critique things like this that the government is bringing out. As I went through the supplementary supply estimates, I really had some difficulty finding anything that I disagreed with. As a member of the Treasury Board previously I'm quite familiar with the processes that happen, and I'm quite familiar with having to reallocate items from ministry to ministry and with how that happens. Certainly, we can appreciate the emergencies and unexpected circumstances that can arise. So I'm going to take more of a nonpartisan approach on this and really narrow my comments down to my constituency of Fort McMurray-Wood Buffalo, which is the constituency I'm very proud to stand up for and represent here in the House.

Every year we try to budget for disasters and incidents that are out of our control. I know that quite often there's criticism that we didn't budget enough or that we budgeted too much. I understand that there are those occurrences that you just cannot budget for appropriately such as 100-year floods, that happened this year. They just come up, and we're simply not able to prepare adequately for them all the time. But they do offer us an opportunity to learn from our mistakes and ensure that preparations are in place properly should these occurrences ever happen again. Who knows? You never know. Sometimes you just have no idea what you'll be faced with, and the result will be these supplementary supply estimates.

I only really had a quick chance to go through the supplementary supply last night. Looking at the ministries that directly affect my riding, there are quite a few of them. One of the biggest issues in my constituency last year, of course, was the flood. Fort McMurray-Wood Buffalo was hit in early June of 2013. It was the first to be hit in the province, and it caused literally millions and millions of dollars in damage. It left many with very difficult and challenging living conditions, and we're still trying to recover from those devastating effects. I note in here as well that Aboriginal Relations will be receiving \$50 million to assist those flood-affected homes in all of the First Nations communities and bring them back up to provincial standards. As we know, whatever affects any community in Alberta affects all of them. Families stretch across the province, and I know that the First Nations in Wood Buffalo will be very pleased to see that their interests are being acknowledged both at home and across the province. Having a safe and livable home is one of the basic necessities of all people. Those that were directly affected by these floods throughout the province need assistance. And help to the First Nations, of course. They were very heavily impacted.

The operational amount of \$2 million needed for the flood recovery program to complete additional studies under the provincial flood hazard identification program is unfortunate. As I've said many times in this House, Fort McMurray does reside in a flood plain, and we're surrounded by the Athabasca River and its tributaries. As such, we're not really impacted by the new identification program. We were identified a long time ago. But as years go on, it's important that other flood plains are identified and that the rest of Alberta learns from the lessons that we in our constituencies are continuously faced with.

Because of our geographical location erosion was a very significant issue this year, and it's a large concern. We have two major rivers and other tributaries that flow into that, and that's where a significant amount of our damage happened during our floods. So \$96 million for restoration that resulted from erosion damage is very welcome as I know that that was, again, our biggest issue. I'm curious how much of that is being made available for our area, Fort McMurray-Wood Buffalo.

Road construction, of course, which is also so very important, as well as damming and drainage were all directly impacted by the flooding and caused significant damage to these infrastructure necessities in Fort McMurray.

I'm curious as to the estimated \$66 million that was requested for the 2013 Alberta flood recovery by Human Services. How much of that total would have been earmarked for the residents of Fort McMurray-Wood Buffalo? I know that many of these residents of our communities required services, so if the minister would be kind enough to let me know how many of these dollars came to our area, I would appreciate that. It doesn't have to be answered right away today. I can always get that answer later.

I do note that there was \$10 million earmarked for the regional municipality of Wood Buffalo through Municipal Affairs. Thank you, Minister – we appreciate that – as well as the Minister of Infrastructure for everything that was done during our disastrous flooding. The citizens that were directly impacted required everything from health care and housing to erosion damage. Municipal Affairs did handle this untenable situation, and I am grateful that they're continuing to do so. I would also have to acknowledge the work of my friend and colleague the Associate Minister of Accountability, Transparency and Transformation for his work as the associate minister responsible for the flood mitigation in the DRP in Fort McMurray.

#### 4:40

The stabilization of municipal revenues for lost property taxes is also important for us to ensure the quality of life.

I guess I was also looking through there, and I noticed that for the total for fiscal 2013 to end of March we're showing approximately \$4.3 billion in expense for flooding, but also on the revenue side we've got \$3.1 billion in recovery from the federal government. In our messaging we tend to always focus on the \$4.3 billion that we're spending. I'm going to go out there and tell people that the net is going to be \$1.2 billion. But, really, in the big scheme of things, we've seen this before, and when we apply for the federal government's funding on there, that can be sometimes tenuous in itself in recovery. So I'm curious if the ministry has any estimate as to when we may be able to expect the federal government to fulfill that commitment. I'm assuming as well that we wouldn't be able to peg that down as to how much of that from the federal government would be coming to my constituency. It would be just in the general revenue mix.

We were severely impacted by the flood. That is the biggest impact in the supplementary supply estimates. Again, I think this was a situation that had not been experienced. It was the most significant natural disaster in Canada's history. I commend the government for the work they did in responding so quickly and assisting those in need. I know we still had some lessons to learn should it happen again, but I know that those actions will now be in place for the future.

Thank you for the opportunity to address this. So just a couple of questions. If I can leave those with the minister.

The Deputy Chair: Thank you, hon. member. The Minister of Aboriginal Relations.

**Mr. Oberle:** Thank you, Madam Chair. Just a brief comment on the remarks the hon. member made about the Aboriginal Relations supplementary supply estimate. I want to clarify for the House that we estimated \$191 million of spending would happen over the next three years as we help those communities recover. We had put in a supplementary estimate already of \$50 million for the current-year spending.

We are now voting an additional \$20.758 million, which is purely a cash-flow thing. We have to move it forward from next year's spending. The overall estimate of \$191 million still remains firm at this time, but we're going to spend that in this year, so we have to have it voted in this year.

I do want to highlight for the House – and the member went partway there – that this is not a normal thing for Alberta or indeed any province. I'm informed that after a flood that happened some two years ago in one of our sister provinces in our country, there are still First Nations families living in motels. We committed at the start of this that we're not going to do that. We're going to address First Nations housing as we do with all other Albertans, so we undertook this program, and that's what the spending is about. That hon. member can inform his First Nations constituents that that stands for everybody in this province. When you're impacted by disaster, we're there to help.

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

The hon. Minister of Municipal Affairs.

**Mr. Hughes:** Thank you, Madam Chair. I'll take some of the questions and answer what I can at this point, and we'll review the Blues to ensure that we get a written response to the hon. member subsequently on the more detailed questions that he's asked. We can certainly provide him with the details of the pretty substantial assistance that's gone to Fort McMurray as has gone to many other communities around the province.

The hon. member has asked about the federal share, essentially the backstop from the government of Canada on the disaster recovery program. You know, we're all grateful as Canadians to have the support of the people of Canada in an event like this. I've recently taken a look at the historical disaster recovery programs that have taken place in Alberta, and I can say that the government of Canada, while eventually paying up, doesn't always pay up with great alacrity. The Premier asked for the government of Canada to give us a billion-dollar advance on the costs of this flood. We're fronting that as the province of Alberta, and we expect that to come through.

But there are about a dozen disaster recovery programs that go back as far as 2007, and it's worth as much as a couple of hundred million dollars, in that order of magnitude, that we haven't received payment on yet as well.

We're going to be encouraging the government of Canada to come up with the money a little more quickly this time and to perhaps settle up on their previous obligations. So, by all means, I encourage all members to encourage the government of Canada to support us in this time of need. We're grateful for the support. The cash would be helpful, too.

With respect to the other projects there are DRP, disaster recovery program, files where people have received assistance. In the order of magnitude of \$20 million was set aside just in the supplementary estimates from November and this set of supplementary estimates. That's just one portion of it. There's a lot of work going on around the province. We're making very substantial commitments to mitigation measures, to hardening the sides of rivers all over the province, including in the hon. member's constituency.

We're working very closely and, I would say, very effectively with municipalities to help make sure because we respond to and support municipalities when they come with specific proposals for support from us. That's primarily how we are able to deliver the assistance to Albertans, because municipalities actually deliver on the ground and do arrange for the work that's got to be done on the ground.

I'll take a look, and we'll make sure we get the specific answers to the specific questions to the hon. member with alacrity, Madam Chair.

#### The Deputy Chair: Thank you.

Are there any other members of Executive Council that would like to respond? There are a few minutes left if the independent member would like to have any further comments. Thank you very much.

We'll move on to the next block, which is a 20-minute block for the government. Are there any members of the government that would like to speak at this time?

Seeing none, we will move to the second rotation. The second rotation requires that no member may speak for more than five minutes at a time. The first block of time is 60 minutes for the Official Opposition. Are there any members? All right. Thank you very much.

We'll move on to the second opposition party.

Mr. Hehr: Yeah. Sure. I might as well ask a question here.

**The Deputy Chair:** All right. Would you like to take the full five minutes, then?

**Mr. Hehr:** Yeah. Well, whether it takes five minutes or not, one never knows, so we'll go from there.

The Deputy Chair: The hon. Member for Calgary-Buffalo.

**Mr. Hehr:** Thank you so much. A couple of those questions were going through my mind when the hon. member from the fourth party was asking questions of the Human Services ministry in and around disability supports in this province. It did look like at least some of the line items went up. You see those there on I think it's page 44 for people to see. It's in support to people with disabilities and the like. I think it was \$64 million, actually, that went up. If

you could just walk me through why some of those costs went up. Was it the population increase or the like? Then I may have a follow-up question.

**The Deputy Chair:** The hon. Associate Minister – Persons with Disabilities.

#### 4:50

**Mr. Bhardwaj:** Thank you very much. Madam Chair, \$63 million was for persons with developmental disabilities. It was essentially to slow down the pace of change that was going on. Then \$42 million was to the supports for PDD.

So two things happened. One was to slow the pace down; the other one was for the caseload. Traditionally in PDD we have 2 per cent growth. We serve approximately 10,000 people, so that would have been 200 people. This year we've had approximately 700-plus people who applied for this. As a result, that money was needed as part of the transformation. Also, the new contracts with the PDD service providers will help support the individuals to achieve positive outcomes. If that's what the question was, that's what we were looking for.

Hon. member, if we were to look at it today, 99 per cent of the service providers have signed onto the new outcome-based contracting, and when we look at what we were trying to achieve in terms of the support intensity scale, the SIS program, 95 per cent of the individuals around the province have been assessed.

**Mr. Hehr:** Did you guys chalk up the 700 additional people on PDD to population increase? What was your assessment as to why? Was it increased awareness of PDD as a result of the big hullabaloo in the community as a result of the cuts? Have you guys made an assessment as to why there were 700 additional people on PDD?

**Mr. Bhardwaj:** When you're talking about last year and slowing the pace down, as the previous minister was travelling the province and as I travelled the province, we heard from people loud and clear that they needed more time to adapt to the transformation. As a government we listened, and we slowed down the pace to adapt and allow the service providers the opportunity to make sure that they adapted to the pace. As a result, if we look at the success of that today, the vast majority of them have signed up.

To answer your other question, in terms of how come all of a sudden there's an increase in the numbers, well, some of the numbers were in the queue, which was being assessed at the time, so all of a sudden there's a jump which we see. It also has a lot to do with, you know, that on average in the province of Alberta we're probably getting 10,000 people moving to this province almost every single month. So it's a combination of things, not just one thing.

Thank you.

**Mr. Hehr:** I think that's where my follow-up question is, you know, and it moves to the assured income for the severely handicapped line item. Sir, to be blunt, I represent Calgary-Buffalo, and I have individuals who come into my office on a continual and ongoing basis who appear to be at least applying for the assured income for the severely handicapped program. In my view, they appear to be qualified and, again, appear to have available the magic wording needed from their doctor: cannot work in any capacity. Okay? Those words are said explicitly on the form. Yet despite our population growth last year, despite that we have a Minister of Education who clearly showed 18,000 more kids in our system, we somehow did not find one additional person who

moved into this province or an additional population number who qualified for the assured income for the severely handicapped program. Could you tell me why? You can see why I'm a little befuddled on that.

**Mr. Bhardwaj:** Well, I can tell you that in terms of assessing the needs of individuals, this government is very much committed to providing the highest quality of life for its citizens, making sure that they're inclusive in the communities and making sure that they enjoy quality of life, that they have a nice, caring, nurturing environment.

In terms of looking at the programs in PDD in terms of the unmet needs, in fact right now we've got a pilot program in place where we're looking at 20-plus people who are missing perhaps in some of the other areas, and we're trying to look after them as we speak right now and looking after their specific needs right now.

**Mr. Hehr:** I don't know if you understood my question, so I'll try it again. You know, the Minister of Education clearly indicates that we have an increased number of expenditures on the Education file from the sheer number of children who moved into this province and from the sheer number of people.

My question is: given that there are expenses going out in Education and other places that simply relate to the number of people who come into the province who need education, I'm surprised that we didn't see any increase in the number of people who have been deemed worthy or needing assured income for the severely handicapped because of our population increase. Was the program capped to say, "No matter what, we are not paying for anyone else regardless of whether they're qualified to go on assured income for the severely handicapped"? Was it just an anomaly that despite our population increase absolutely no individual beyond what was budgeted for at the start of the year was deemed as meeting the criteria of the program? I'm just wondering if you guys have had an assessment on that.

**Mr. Bhardwaj:** We absolutely do, hon. member. On average the assured income for the severely handicapped number grows by 2 per cent. So as we speak right now, the considerations in the assessment process for whomever applies for AISH are being considered. I don't know exactly what number you're looking for, but in terms of the actual number of people who are being assessed, it has grown by approximately 2 per cent year over year.

**Mr. Hehr:** So what you're telling me right now is that as long as the person qualifies for AISH and they are Alberta citizens, they will get that funding that they're due and entitled to, with no limitations on what your actual budget number is and that there's no messaging down to the rank and file saying: "Hey, look, tight budget. You're not getting any."

**Mr. Bhardwaj:** No. As I stated earlier, this government is very much committed to providing, you know, the highest quality of education. As long as people are qualifying, whatever their qualifications are, that's what's been allocated to them.

Mr. Hehr: All right. Thank you very much.

The Deputy Chair: Thank you, hon. member.

We now move to the fourth party. Is there anyone? This is a block of 20 minutes, where you can speak for five minutes at a time.

The hon. Member for Edmonton-Strathcona.

**Ms Notley:** Thank you. Yes, I'd like to go back to just the changes to the allocation for Health. In particular, the minister as well as the document itself talks about the \$136 million that was made available from lower-than-budgeted expenses in other programs. I think I heard that, basically, there was about \$15 million in savings from the delay in implementing the pharmacare program. I'm not entirely sure. Anyway, I'm wondering if the minister could simply outline for us where the \$136 million in savings came from within the Health budget.

The Deputy Chair: The hon. Minister of Health.

**Mr. Horne:** Certainly. Thank you, Madam Chair. The \$136 million is from various areas of the Health budget. It includes surpluses that were identified in a number of areas, and I stress that the fact that there are surpluses is not a reflection that these items are still not a priority in the Health budget. They are with respect to timing differences in the allocation of the monies that take us over the year-end.

The surpluses include, first of all, some unexpected delays in the implementation of family care clinics and \$30 million net of increased patient volume accessing primary care networks; reduced operating cost requirements for the South Health Campus in Calgary and the Kaye Edmonton clinic, for a total of \$25 million; deferred implementation of accommodation rate increases for long-term care until 2014-2015, which represents \$25 million; a prior-year surplus reducing current-year requirements for blood and blood products, for a total of \$15 million; deferral and reprioritization of community programs and healthy living and other support program grant initiatives for a total of \$11 million; deferral and reprioritization of projects which implement internal information system maintenance and support for a total of \$9 million; and several other smaller reallocation opportunities totalling \$21 million from programs such as the health services provided in correctional facilities, seniors' services, and allied health services. So those, Madam Chair, contribute to the total of \$136 million.

#### 5:00

Those surpluses and those program areas offset the considerable increases that we experienced this year in the areas of physician compensation and drug and supplemental health benefits, again referring specifically to the types of drugs that I talked about earlier for cancer and for rare and orphan diseases.

Thank you.

The Deputy Chair: The hon. Member for Edmonton-Strathcona.

**Ms Notley:** Thank you. I'm wondering if I could just ask the minister: did you tell me the number associated with the delay in the FCCs? You might have, and I just missed it.

**Mr. Horne:** Yes. Madam Chair, I believe I indicated that it's \$30 million.

**Ms Notley:** Thirty million? Thank you. Thank you very much. Okay.

So I understand, definitely, that there were increases due to the higher-than-anticipated costs with the contract with the AMA. I understand the higher-than-anticipated volume in physician services, but I'm not quite sure of the previous one. It says that the \$100 million was due to the higher-than-anticipated contract settlement, particularly \$92 million for specialist physician services and \$8 million for primary care. I assume that those are broken out because they're not related to a higher-than-anticipated

volume in the actual service. I'm wondering if the minister can explain what those increases are due to, then. How did we end up with \$100 million more going to physicians than we'd anticipated, separate from the increased pressures due to a higher volume of services?

**Mr. Horne:** I'll do my best to address the question. Just before I do, I'm glad the hon. member is asking about the physician compensation line. The primary factors that are driving the request for the supplementary estimates that we have before you are in fact not due to the AMA agreement although there is a \$100 million item there. The fact of the matter is that we are experiencing larger-than-expected population growth, but we also run a health care system where physician compensation is still largely based on fees for service. About 83 per cent of physician payments in Alberta are made on a fee-for-service basis. So what happens is that a combination of rates that we pay for those fees for service and the volume associated with each one creates an increase in the cost that rises far and above population growth and inflation. I'll be pleased to talk more about this in answers to further questions.

With respect to the Alberta Medical Association agreement, the budget before us, the current year's budget, was developed while negotiations were under way, as I think the hon. member knows. One of our objectives was to manage volume increases by reallocating savings from rate reductions and cancelling some benefit programs. As hon. members may recall from the information provided by me and the House and through the media, as those negotiations progressed, we were actively working with the Alberta Medical Association in our discussions to try to reduce rates for specific fees for service that we believed to be out of step or out of alignment with fees for similar services paid in other parts of the country.

So we identified at one point in the negotiations a list of specific fees that we would have proposed to reduce. They roughly totalled \$100 million dollars. We were looking to those savings to meet our budgetary commitments for 2013-14. While we're very, very pleased, obviously, that we were able to reach an agreement in the end with the Alberta Medical Association, a seven-year agreement that included zero per cent increases in the first three years, we did not achieve through the negotiations that \$100 million reduction in fees.

What we have in place today, Madam Chair, as part of this new agreement is a structure within that agreement called the Physician Compensation Committee. It is charged with setting rates within a budgetary envelope that's identified by the government, and the chair that has been selected by the president of the AMA and myself is Mr. Chris Sheard, who will be known to many people in this House. He will be chairing and overseeing the process by which we review all of those fees. It will be up to the parties at the table to discuss the methodology that will be used to review the fees, in some cases reduce fees and in other cases, perhaps, increase fees where the evidence merits.

So that was originally the genesis for the \$100 million amount that we had hoped to achieve in savings. It did not materialize, but very fortunately, I think, for everyone and to the credit of a number of people we did successfully reach an agreement that includes a process for addressing issues such as fee-for-service amounts and considerations such as relative value in comparison to other jurisdictions.

Thank you.

**Ms Notley:** Well, thank you. That was interesting. I didn't know that.

I guess, just following up from that, my one question is: are there timelines associated with the output of that committee in terms of changes that might be forthcoming? Is it expected to report within 12 months, 18 months, or is it just sort of meeting over the course of the seven-year agreement? That's just my question. What are the timelines?

The other question that maybe you could answer as well – you did sort of reference it, the \$149 million increase with respect to higher-than-anticipated volume in physician services. You implied, I think, that the volume was higher than anticipated because of the fee for service, and thus, I presume, the service offered was greater than the population increase; hence, it was higher than predicted. I'm wondering if you could speak to why it was higher or if you have any ideas for why it was higher than anticipated.

**Mr. Horne:** Absolutely. With respect to the question around timelines, around reviews of physician compensation, and, specifically, fees by the Physician Compensation Committee this is now a permanent part of the agreement, Madam Chair. This is an ongoing process. The chair was appointed, I believe, a couple of months ago now, so the process is just newly up and running. It will be up to the parties at the table and the independent chair to determine the agenda for the review. This is not, I might add, simply restricted to fees for individual services provided. This is with respect to all aspects of compensation, direct compensation that's paid to physicians, and that includes things like the hourly rate that has been established to pay physicians that work in a family care clinic and other alternative models of compensation that are available.

So it's a very exciting development, and obviously, you know, it is my hope that the group develops an agenda that reflects a hierarchy of priority. There are literally hundreds if not thousands of individual fee codes in the scheduled medical benefits. We talked during the negotiations about specific areas where Alberta was significantly out of alignment with other jurisdictions, so we hope that the committee will look at that in developing its agenda, but that is an ongoing process. They work, Madam Chair, within an envelope of funding that is provided for in the budget.

Now to talk specifically about volume in physician compensation and why it is an issue pretty much on an annual basis in Alberta. The total amount we spend on physician compensation is a function of both the rate and the volume. While, certainly, I would agree that a portion of that volume increase can be attributed to population growth in Alberta, it is also directly related to the ability of our health care system to make the most appropriate use of physician services.

#### 5:10

To illustrate, I'll give you a recent example where physicians and government have worked together to make sure that we're not using those scarce physician resources inappropriately. The Edmonton Oliver primary care network a little over a year ago developed an orthopaedic screening program right in the PCN. That program provided for a common assessment process right in the primary care environment for people who, potentially, could be referred to an orthopaedic surgeon. By using nurse practitioners and by using other professionals right in the family clinic setting as part of an assessment team, this team has been able to move 75 to 80 per cent of the patients that go through there out of the queue to see an orthopaedic surgeon.

Of course, Madam Chair, what this means is that people who do need to proceed to an orthopaedic surgeon and to surgery get in the queue quicker and move through faster. That, obviously, saves It is certainly not my view as minister, and I think the AMA would share this view, that the volume increases that we have been seeing – in this year, I think we're heading close to an 8 per cent volume increase – need to be at that level. The appropriateness of the use of the services, the appropriateness of the fee that's charged if it's a fee-for-service mode, and the appropriate use of other resources are obviously critical to reducing these volume increases.

The Deputy Chair: Does that conclude your comments, hon. member?

The hon. Member for Edmonton-Beverly-Clareview. Five minutes.

Mr. Bilous: Total or each side?

**The Deputy Chair:** I think there are about eight minutes left in the entire block, but you can't speak for any more than five.

**Mr. Bilous:** Great. Wonderful. I'm going to start off by talking about Education, so I'll give the minister a heads-up on that. A hundred and seventy million dollars for Education, \$70 million of which is operational, \$103 million of which is capital due to project delays on 35 new schools and modernizations: now, again, this was from the 2011 budget, and these are schools that are scheduled to open this fall. These are schools, again, that were announced three years ago, so I find it interesting that we're funding out of sup supply right now for schools that should be open this fall. I guess my first question to the minister, if we can go back and forth, is: will these schools be ready to open this September, this fall?

**Mr. J. Johnson:** I believe so. I can't answer that particularly because I don't have the specific lists of all those projects in front of me and how this cash flow rolls out with respect to any of them. Any time we're doing projects, even when the school is finished, not all of the bills have been paid, of course. I'm sure you know that. It takes a while to close out those files and those contracts and that bookkeeping and make sure that there aren't any holdbacks for shortcomings.

**Mr. Bilous:** A follow up – and I think I know the answer to this – just to confirm that these schools opening this fall are not part of the commitment of the 50/70 from last year. Is that correct, Minister?

Mr. J. Johnson: That's correct.

**Mr. Bilous:** All right. I'm curious to know. I get that sometimes costs come in after the fact, but my concern is with the previous commitment as far as the 50/70. Now, those have been announcements, but if we're having this type of delay on 35 schools, then how can we or Albertans or you be certain that all of the schools that were committed will actually be opened on time in the next couple of years?

**Mr. J. Johnson:** Well, I don't want to give you the impression that all of these 35 schools are delayed. That's not the case at all. Some of them are already open. You asked which schools, and I don't have the specific list in front of me as to which dollar is attached to which contract. Some of these might have to do with the P3 cash flow, too. I can endeavour to get you more detailed

information on that. But these are not to do with the new 50/70. It's the normal course of business that these cash flows get adjusted throughout the year based on the progress of work, and it also takes time to make sure that there are no shortcomings in the work before we flow all the money and close out the file. This all just has to do with that.

**Mr. Bilous:** Okay. I'm not sure, Minister, if you have the number offhand, but out of the 35 that are being completed or are already completed, as you've said, do you know how many of those are P3 and how many of those are built in-house?

**Mr. J. Johnson:** Sorry. I don't have the numbers in front of me, but if memory serves, from that list of 35 I think there were 22. But I'll endeavour to get you those as well. The Minister of Infrastructure is the guy that manages those projects.

The other thing is that these dollars may not just be assigned to the 35. There were other projects in addition to those that were ongoing that some of these capital dollars would be tied to. If the member wants a list of which projects these dollars might be applied to or have to do with, I'd be happy to get those.

**Mr. Bilous:** Thank you, Minister, for that offer. I would definitely take you up on that whenever you can get that list. That would be greatly appreciated.

Moving on, I do find it interesting and, to be honest, a little alarming, the dollars that are going to be going towards private schools and private early childhood service operators. We're looking at, you know, over \$5 million, almost \$5.5 million that's going to grant funding for private schools. Now, I think it's worth mentioning that 5 per cent of the student population in Alberta currently attends private schools. So that's a significant amount of money that's going to private schools versus, you know, money that could be going toward public. Again, they're getting an equivalent, so that \$5.4 million is an amount equal almost to 10 per cent of what the public schools are getting yet, again, with half the number of students. I guess my question is: why are private school students getting much more than their proportionate share compared to the public school students?

**Mr. J. Johnson:** Well, I know how much the member supports private schools, is a strong supporter of private schools. As a matter of fact, didn't you used to work at one? They used to pay your cheque. It wasn't a problem then, was it?

In any event, the money that we flow to schools doesn't just follow a child; it also follows demographics. Different kids come into the system with different needs, and the money for those children is different depending on whether they're an English language learner, whether they have a FNMI background, whatever kind of special needs they might have. Again, you know, I know some of the private schools are not just the posh boarding schools. These are schools for inner-city kids at risk, First Nation kids. Some of them are special needs, and some of them are handicapped, all those types of things. Certainly, we want to support those kids. The early childhood service providers do an incredible amount of good work with some really high-risk kids. So the dollars don't just flow with the head count; they flow with the needs of those children.

A lot of the growth was in the earlier years in our school system. A lot of the enrolment growth was in the kind of early childhood development, that pre-K to K to grade 3. So even when we look at the dollars that have to flow into the system, most of our small class size initiative dollars for that envelope are targeted to the earlier grades, and even though we might increase that grant – we promised, and we did; we increased that grant by 2 per cent

last year – there are a disproportionate number of kids coming into that segment of the school population, the primary grades, that K to 3, so then the enrolment exponentiates the dollars that have to go into those primary grades. That's why you might see more in the earlier years than you would just across the whole system.

Mr. Bilous: Okay. Madam Chair, how much time is remaining?

#### The Deputy Chair: Two minutes.

**Mr. Bilous:** Okay. Excellent. There are a couple of comments that I would love to address, Minister. First of all, I can appreciate that what you're saying is that the types of students that are coming into the private system are needing those dollars. However, there are many, many students – ELL, special-needs students, FNMI – that are in our public system that greatly need financial support and teachers that need supports in their classrooms.

I find interesting your timing, bringing up the fact that I taught at Inner City high school. So for the sake of the members in the Assembly here I'll explain, first and foremost, that Inner City once upon a time was part of Edmonton Catholic, but part of our funding formula issues meant that they couldn't get the dollars that they needed to deliver the services to the high risk. You know, 90 per cent of the students are FNMI. Many suffer from different not just struggles, but there are many that are coded. In fact, most of the students, all of them, have IPPs, et cetera. Believe me, it is my wish that those types of private schools and charter schools come back under the umbrella of Edmonton public and Edmonton Catholic, but again supports need to be there for them to do that.

#### 5:20

The challenge that I have, Minister, is not just that some of these schools are receiving dollars that they need for the population they have. Again, I'd love to have the breakdown of which schools are getting what percentage of these dollars and how many of these dollars are going to fund private schools. You know, we're draining money from the public system to feed the private system. If there are parents and families that want to put their kids in private school, that's fine. They can. Then pay for it. The public system really should be all inclusive and should have the supports that are necessary. My question, because I'm probably running out of time, Minister, is: do you have the breakdown as far as the different private schools throughout the province that are receiving funding from this?

**The Deputy Chair:** Thank you, hon. member. The minister will probably provide those answers for you in writing.

We now move to the 20-minute block for the government. Are there any members of the government who wish to speak?

Seeing none, we have some time left in the second rotation. Are there any members in the House who would wish to further comment?

Seeing none, we move to the final rotation, which is a fiveminute opportunity for the Official Opposition. Do you have any comments you wish to make?

Seeing none, I'll move on to the third party.

Seeing none, I'll move to the fourth party. The hon. Member for Edmonton-Beverly-Clareview.

Mr. Bilous: Thank you, Madam Chair.

**The Deputy Chair:** It'll be five minutes, just so you know, and whoever responds has five minutes as well, a 10-minute block.

**Mr. Bilous:** Okay. Thank you, Madam Chair. All right. I'm going to jump actually – and I may come back to Education just because I enjoy the back and forth with the minister so much – to Transportation if there's a minister that can speak to it. So \$51 million is going to Transportation, \$45.5 million for the provincial highway preservation, which at the onset does not appear to be flood related. I'm not sure, then, if this means that the government is not staying on top of monitoring the conditions of the highways and that instead we're going back to just crisis response. If that's the case, I'm hoping the minister of possibly – forgive me. The Minister of Transportation is here. Where did that additional need come from?

Madam Chair, can I back-and-forth with shorter questions with the minister?

**The Deputy Chair:** Yes, you can. You have that 10-minute block. The hon. Minister of Transportation.

**Mr. Drysdale:** Yeah. Thank you for the question. I missed a little bit at the start there. Transportation requires about \$51.5 million in operational vote to address provincial highway preservation and the 2013 Alberta flood disaster. The first amount of \$45.5 million is to address the priority provincial highway preservation work. Performing preservation work in a timely manner results in slower deterioration of roadways and is the most cost effective since delays lead to rehabilitation work at higher costs.

The second amount is for \$6 million related to the 2013 Alberta floods. This funding provides for feasibility analyses of flood mitigation projects through the Bow, Elbow, Oldman, Sheep, Highwood, and South Saskatchewan River basins.

We are also requesting a \$10 million increase in the financial transaction vote for the purchase of salt and sand and gravel to use for highway maintenance. The cost of the usage of this inventory has risen significantly in recent years.

Finally, we request the transfer of \$4 million in the capital vote from Transportation to Municipal Affairs for water and wastewater projects in Bragg Creek. This funding was originally approved under Transportation, but it has since been determined that the spending is more appropriate under the disaster recovery program within Municipal Affairs.

I hope that answers your questions.

**Mr. Bilous:** I think so, Minister. Sorry. Just a quick follow-up. I had a hard time hearing some of your response. [interjection] Yeah. You try telling her.

Minister, the bulk of it, because of the flood disaster relief, did go towards cleaning up the highways. Then you referenced sand and salt. So, I guess, two questions. One, shouldn't that have come out of the budget estimates last year? I'm just wondering why it's coming out of supply. Two, are any of these dollars allocated for flood mapping, or is that coming out of the budget that will be tabled tomorrow?

**Mr. Drysdale:** Well, the flood mapping isn't in my department. It'll be coming through Municipal Affairs through the DRP. The sand and salt is just, over the years, the cost increase and escalation. The more highways we build, the more we need. We were short in our budget, so we added to it last fall.

Mr. Hughes: Can I just augment that?

**Mr. Bilous:** If I can just ask a quick question before you respond, Minister. It's to do with this, too. I'm just looking at the \$6 million for the 2013 Alberta flood recovery to provide feasibility analyses of flood mitigation. In that, I guess I'm wondering: does

that contain flood mapping? Is that part of that \$6 million, or is that going to be separate?

Thank you.

The Deputy Chair: The Minister of Municipal Affairs.

Mr. Hughes: Thank you, Madam Chair. There are a lot of different categories, so it's not always understandable exactly where everything is. In fact, ESRD is really the department that has the long-term accountability for flood mapping, for the work that is being done to ensure that we're well armed and well prepared for being alerted to any possible flood conditions, those kinds of things.

You asked about the feasibility studies. There are a lot of feasibility studies going on on just about every watercourse. That comes out of the funding for the southwest Alberta task force, the flood recovery task force, the committee of cabinet that I chair. We're taking resources from that in order to prepare with each of the communities. These are largely led, in most cases, by the municipality, where they say: Okay; we need to do some work here. You know, maybe it's the town engineer or the town officials that decide they need to look at something. They go out and get third-party engineering work done on it. Given the immense volume of work that's being done around the province, people are competing for very tight resources.

Then those projects come back through. They need approvals from ESRD in order to do them, particularly if they're close to a water body. I can tell you, just as an example, that in High River there is 9 million dollars' worth of berms that are being done by the town, and they expect to have them all done by the 15th of May and to be ready should there be anything like what we saw last year. This is happening in every community right across the province that was affected by the floods last year.

I hope that answers your questions.

Mr. Bilous: Thank you, Minister. That does.

I'm going to jump to Aboriginal Relations if I can. There's \$20 million in spending for Aboriginal Relations, most of which, I appreciate, is going towards repairing, relocating, or rebuilding on-reserve homes. I know from speaking to the previous minister in the fall that there were about 600 homes affected. Just two quick questions. Has that number changed at all? Has it gone up from the 600 or down? Minister, could you provide a little bit of a breakdown between the number of new builds and the number that can be saved? I'm not sure if you have those stats with you.

Thank you.

The Deputy Chair: The Minister of Aboriginal Relations. 5:30

Mr. Oberle: Yeah. The actual impacted number is very near to 800 homes, and the costs outlined here cover a range of things: relocation, rebuilds, renovations. There is also a significant amount of infrastructure. As you can imagine with a house that's completely destroyed, the below-ground infrastructure is going to be impacted as well.

In addition to that, we've got to bring things up to Alberta code, which, we're troubled to find, is not really the case in many places.

So there's an array of costs involved in that. I don't actually have the breakdown of the number of new builds versus renovations or repairs. [interjection] My learned colleague, who knows better than I what needs to be said here, pointed out to me that I do have to point out that we're looking at a hundred per cent recovery from the federal government here on disaster recovery.

It's not really an Alberta responsibility to do housing on-reserve. We're doing this because it's the right thing to do. But we're looking at very close to a hundred per cent recovery here. Thank you.

Mr. Bilous: Thank you, Minister. That was helpful.

My last question – I probably only have a couple of minutes – is to the Minister of Culture. There is \$4.3 million for Culture in sup supply, \$3 million of which is for museums and conservation assistance. Now, \$500,000 was to the Philippines, if my numbers are right or my eyes; \$333,000 for artists and arts organizations directly affected by the flood; an announcement in January of \$6 million for support of the conservation of artifacts and archival materials. My only question, Minister, is: can we expect to see the remaining \$3 million in funding from the coming budget, or where is that other \$3 million coming from?

Mrs. Klimchuk: Well, thank you very much. As we all know, the impacts of the flooding were pretty incredible in southern Alberta and up in Fort McMurray as well. With respect to the funding that was announced, we did announce in total the \$14.7 million in January for heritage, arts, and nonprofits. There was some money that was made available in 2013-14, and there'll be money available in '14-15 as well. This funding that was rolled out: people are applying right now for some of that funding, but some of the other funding will be made available in '14-15.

The Deputy Chair: Thank you, hon. minister.

We do have some time left in this block. Are there any other members who wish to speak in the five-minute block?

Seeing none, shall I call the vote?

#### Vote on Supplementary Supply Estimates 2013-14, No. 2 **General Revenue Fund**

| Agreed to:<br>Aboriginal Relations<br>Operational | \$ 20,758,000                 |
|---|-------------------------------|
| The Deputy Chair: Shall the vote be reported?     |                               |
| Hon. Members: Agreed.                             |                               |
| The Deputy Chair: Opposed? Carried.               |                               |
| Agreed to:<br>Culture<br>Operational<br>Capital   | \$4,393,000<br>\$500,000      |
| The Deputy Chair: Shall the vote be reported?     |                               |
| Hon. Members: Agreed.                             |                               |
| The Deputy Chair: Opposed? Carried.               |                               |
| Agreed to:<br>Education<br>Operational<br>Capital | \$70,300,000<br>\$103,839,000 |

The Deputy Chair: Shall the vote be reported?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

| Agreed to:<br>Energy<br>Operational   | \$192,000,000                          | Operational<br>Capital  | \$1,141,867,000<br>\$49,841,000 |
|---|--|---|---------------------------------|
| The Deputy Chair: Shall the vote be reported?   |  | The Deputy Chair: Shall the vote be reported?   |                                 |
| Hon. Members: Agreed.   |  | Hon. Members: Agreed.   |                                 |
| The Deputy Chair: Opposed? Carried.   |  | The Deputy Chair: Opposed? Carried.   |                                 |
| Agreed to:<br>Environment and Sustainable Resource Development<br>Operational<br>Capital  | nt<br>\$137,595,000<br>\$62,701,000    | Agreed to:<br>Service Alberta<br>Operational<br>Capital   | \$895,000<br>\$2,600,000        |
| The Deputy Chair: Shall the vote be reported?   |  | The Deputy Chair: Shall the vote be reported?   |                                 |
| Hon. Members: Agreed.   |  | Hon. Members: Agreed.   |                                 |
| The Deputy Chair: Opposed? Carried.   |  | The Deputy Chair: Opposed? Carried.   |                                 |
| Agreed to:<br>Health<br>Operational   | \$209,000,000                          | Agreed to:<br>Tourism, Parks and Recreation<br>Operational<br>Capital   | \$958,000<br>\$1,382,000        |
| The Deputy Chair: Shall the vote be reported?   |  | The Deputy Chair: Shall the vote be reported?   |                                 |
| Hon. Members: Agreed.   |  | Hon. Members: Agreed.   |                                 |
| The Deputy Chair: Opposed? Carried.   |  | The Deputy Chair: Opposed? Carried.   |                                 |
| Agreed to:<br>Human Services<br>Operational<br>Capital<br>Financial Transactions  | \$81,649,000<br>\$640,000<br>\$680,000 | Agreed to:<br>Transportation<br>Operational<br>Financial Transactions<br><b>The Deputy Chair:</b> Shall the vote be reported?                       | \$51,502,000<br>\$10,000,000    |
| The Deputy Chair: Shall the vote be reported?   |  | Hon. Members: Agreed.   |                                 |
| Hon. Members: Agreed.   |  | The Deputy Chair: Opposed? Carried.   |                                 |
| The Deputy Chair: Opposed? Carried.   |  | Agreed to:  |                                 |
| Agreed to:<br>Infrastructure<br>Operational   | \$49,769,000                           | Transfer from Operational vote of Education to the vote of Municipal Affairs  | Operational<br>\$9,050,000      |
| The Deputy Chair: Shall the vote be reported?   | \$ <del>1</del> 9,709,000              | The Deputy Chair: Shall the vote be reported?   |                                 |
| Hon. Members: Agreed.   |  | Hon. Members: Agreed.   |                                 |
| The Deputy Chair: Opposed? Carried.   |  | The Deputy Chair: Opposed? Carried.   |                                 |
| Agreed to:<br>Innovation and Advanced Education<br>Operational  | \$53,275,000                           | Agreed to:<br>Transfer from Operational vote of Executive Coun<br>vote of Executive Council<br><b>The Deputy Chair:</b> Shall the vote be reported? | cil to the Capital<br>\$300,000 |
| Capital \$1,680,00  |  | Hon. Members: Agreed.   |                                 |
| The Deputy Chair: Shall the vote be reported?   |  | The Deputy Chair: Opposed? Carried.   |                                 |
| <ul><li>Hon. Members: Agreed.</li><li>The Deputy Chair: Opposed? Carried.<br/>Hon. members, can we keep the volume down f<br/>while we take these votes? Thank you.</li></ul> | for a little bit                       | Agreed to:<br>Transfer from Capital vote of Transportation to the<br>vote of Municipal Affairs  | e Operational<br>\$4,000,000    |
| Agreed to:  |  | The Deputy Chair: Shall the vote be reported?   |                                 |
| Municipal Affairs   |  | Hon. Members: Agreed.   |                                 |

The Deputy Chair: Opposed? Carried.

Agreed to:

Transfer from Operational vote of Municipal Affairs to the Capital vote of Municipal Affairs \$7,200,000

The Deputy Chair: Shall the vote be reported?

Hon. Members: Agreed.

**The Deputy Chair:** Opposed? Carried. The committee shall now rise and report.

[Mrs. Jablonski in the chair]

5:40

**Mr. Jeneroux:** 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 2013-14 supplementary supply estimates, No. 2, for the general revenue fund for the fiscal year ending March 31, 2014, have been approved.

Aboriginal Relations: operational, \$20,758,000.

Culture: operational, \$4,393,000; capital, \$500,000.

Education: operational, \$70,300,000; capital, \$103,839,000. Energy: operational, \$192,000,000.

Environment and Sustainable Resource Development: operational, \$137,595,000; capital, \$62,701,000.

Health: operational, \$209,000,000.

Human Services: operational, \$81,649,000; capital, \$640,000; financial transactions, \$680,000.

Infrastructure: operational, \$49,769,000.

Innovation and Advanced Education: operational, \$53,275,000; capital, \$1,680,000.

Municipal Affairs: operational, \$1,141,867,000; capital, \$49,841,000.

Service Alberta: operational, \$895,000; capital, \$2,600,000.

Tourism, Parks and Recreation: operational, \$958,000; capital, \$1,382,000.

Transportation: operational, \$51,502,000; financial transactions, \$10,000,000.

**The Acting Speaker:** Hon. member, I hate to interrupt you when you are doing so well, but we need to keep the volume down so that we can hear the report, please.

Thank you.

**Mr. Jeneroux:** Okay. The Committee of Supply has approved the following amounts to be transferred.

Transfer from Education operational vote to Municipal Affairs operational vote, \$9,050,000.

Transfer from Executive Council operational vote to Executive Council capital vote, \$300,000.

Transfer from Transportation capital vote to Municipal Affairs operational vote, \$4,000,000.

Transfer from Municipal Affairs operational vote to Municipal Affairs capital vote, \$7,200,000.

Madam Speaker, that concludes my report.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Concur.

The Acting Speaker: Opposed? So ordered.

I would like to alert hon. members that Standing Order 61(3) provides that upon the Assembly concurring in the report by Committee of Supply, the Assembly immediately reverts to Introduction of Bills for introduction of the appropriation bill.

#### **Introduction of Bills**

(reversion)

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

#### Bill 2

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

**Mr. Horner:** Well, thank you very much, Madam Speaker. I request leave to introduce Bill 2, the Appropriation (Supplementary Supply) Act, 2014. This being a money bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this bill, recommends the same to the Assembly.

[Motion carried; Bill 2 read a first time]

#### Government Bills and Orders Second Reading

Bill 1 Savings Management Act

[Adjourned debate March 4: Mr. Anderson]

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

**Mr. Hehr:** Well, thank you very much, Madam Speaker. As always, it's an honour and a privilege to rise in this House and respond to proposed legislation. I will say in this case that I am somewhat surprised that the government chose to highlight the Alberta heritage savings fund with their first bill of this session given the dismal state of that fund. Let me elaborate as to why I think the classification of that is dismal.

In fact, I take probably the same sort of look at this as the Finance critic from the Wildrose Alliance does. We tend to see this from different sides of the ideological spectrum, but we tend to see what has transpired here in Alberta as amounting to nothing less than intergenerational theft, and by that, we mean what we have done with our responsibility to save some of this fossil fuel resource wealth for future generations.

I, like the Member for Airdrie, saw the article from *The Economist*, and I was struck by how poignant the article was in singling out Alberta as one of the violators, how not to run an oil and gas economy. There it was in black and white for all to see. It's essentially what we have been saying in this House over the course of the last five years. I don't think people mistake *The Economist* as a left-of-centre magazine or something like *Pravda* or the like. It's just generally looking at things as they are and going forth in that effect. There it was in black and white that Alberta really has made a joke out of its finances and how to really run a system that recognizes that this is a finite resource and that all is not going to continue on like we think it is.

I was also struck by the Member for Airdrie's comments in that he, too, like me, believes there is a limited time for us to get this right. In my view, over the course of the next 50 years maybe, 30 years more probably, we should as a province and a legislative body understand about saving this oil wealth for the eventual transition from an oil and gas economy at a time when maybe the stars align so that solar, wind, other things may take off or that, simply put, we move to a natural gas economy because there are 200 years of natural gas out there from ports around the world. These may make Alberta not as prosperous a place. That thought is out there with many people.

Many people, futurists, have looked at this, many people who really assess what is going on out in the world. I think that thought is different than what we had here in 1997 when we established some of these systems in place, when we thought that our oil and gas economy was going to last for another 300 years and that it just didn't matter, frankly, what we did because we were in the driver's seat.

I think that, really, what we've done with our heritage savings trust fund has been a sham. It was pointed out again by that speaker that if we had just left the interest alone from the Alberta heritage savings trust fund since 1986, that fund would be worth some \$150 billion. Let's also take a look at, say, since 2001. If we hadn't eliminated progressive income taxes – my goodness – it'd probably be worth another \$100 billion, possibly more, on top of that. Really, what we've done here has been silly. Either way you cut it, we didn't save enough. So when the government of the day chooses to highlight in one of their bills, this bill here, that they're going to use more resources from the Alberta heritage savings trust fund for today's usage and today's enjoyment, I have to question the logic of that. Haven't we already stolen enough from future generations? Do we have to continue to do that today?

#### 5:50

I also note, you know, there's an article in the *Edmonton Journal* today that really goes through the nuts and bolts of this social innovation endowment account by Mr. Ricardo Acuña, a person who I believe has distinguished himself as being a person who thinks a great deal on this stuff. It says that these things are simply not going to work. They haven't worked anywhere else in the world. Why would they work here? The idea that Goldman Sachs is going to invest money in some of these alleged innovative treatments for, say, alcoholism or drug treatment I think is folly. They're not going to invest unless they have a guarantee on investment or a pretty good chance. He doesn't see it. I certainly don't see it. Why we aren't just investing in our nonprofits or shoring up government muscle to do the hard work that is necessary simply, to me, doesn't make much sense.

Those are my initial comments on the bill and the like. You know, I'm looking forward to hearing other people comment on this. It doesn't seem to make much sense to me. I don't think it's going to make sense to a whole lot of people in the nonprofit industry who are going to have to somehow incorporate this into the mix. I don't know how this is going to be.

Those are my comments. With that, I will adjourn debate.

The Acting Speaker: Thank you, hon. member.

[Motion to adjourn debate carried]

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

**Mr. Olson:** Thank you, Madam Speaker. We've made excellent progress this afternoon, and I move that we adjourn until tomorrow at 1:30.

[Motion carried; the Assembly adjourned at 5:52 p.m. to Thursday at 1:30 p.m.]

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