

Legislative Assembly of Alberta

Title: **Thursday, April 19, 2007**

1:00 p.m.

Date: 07/04/19

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon and welcome.

Let us pray. Author of all wisdom, knowledge, and understanding, we ask for guidance in order that truth and justice may prevail in all of our judgments. Amen.

Please be seated.

head: **Introduction of Visitors**

The Speaker: Is the hon. Minister of Employment, Immigration and Industry to introduce some visitors?

Ms Evans: I am, Mr. Speaker. I'm honoured today to introduce some very special guests that will also join us at the time of the budget. They are seated in your gallery. First of all, may I introduce Ambassador Karel de Beer of the Netherlands. May I also introduce Consul General Hans Driesser and our very own Allan Bleiken, who is our honorary consul general.

Ambassador de Beer is a graduate of the University of Amsterdam. He entered the Ministry of Foreign Affairs in 1976, has served in several embassies world-wide and was appointed ambassador to Canada in 2005.

Consul General Driesser received his law degree and entered the foreign service and has served in several important positions, among them being involved in foreign affairs in the Middle East.

Of course, my wonderful friend Allan Bleiken, who resides in Sherwood Park, has done many things for economic development, so he's a perfect partner for this minister.

Would the House please honour and recognize the wonderful guests we have in your gallery, Mr. Speaker.

head: **Introduction of Guests**

Mr. Ouellette: Mr. Speaker, it gives me great pleasure to rise today and introduce to you and through you to all members of the Assembly two very dedicated community volunteers from the constituency of Innisfail-Sylvan Lake. Doug and Brenda Beagle are very active in the community and lend their talents to many worthwhile efforts. Doug is a very busy realtor in central Alberta. In addition, Brenda has a keen interest in the political process and is a volunteer board member on our local constituency association. I've known Doug and Brenda for many years. I would invite them to rise and receive the traditional warm welcome of the House.

The Speaker: The hon. Minister of Energy.

Mr. Knight: Well, thank you very much, Mr. Speaker. Indeed, it is a pleasure for me to rise today and introduce to you and through you to all of my colleagues in the Assembly two friends. The first introduction is a gentleman by the name of John Thornewell. John and I have been friends for many, many years through school and job-related, work-related. Now in later life John gets to sit and watch while we attempt to perform, and I believe that he is enjoying himself, indeed.

Along with John there's a lady, Valerie Nourish. Valerie is from Derbyshire, England, and she is a lecturer in history and heritage. Mr. Speaker, it's her first visit to Canada. She's had a long interest

in family history, and she discovered that there were English family relatives here that have settled in the Northwest Territories and another that settled in Alberta, so thanks to the Internet she made contact with John and his family. They're distant cousins.

Valerie and John are here in the gallery. I'd ask them to rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Minister of Health and Wellness.

Mr. Hancock: Thank you, Mr. Speaker. It's my honour today to introduce to you and through you to members of the Assembly on behalf of my colleague for Spruce Grove-Sturgeon-St. Albert a group of grade 6 students from Camilla school in Rivière Qui Barre. There are 49 visitors with us today, and they're accompanied by teachers and group leaders Mike Paustian and Amanda Langford and parent helpers Mrs. Berube and Mrs. Crossley. I'd like all of our guests in the public gallery to rise and receive the traditional warm welcome of the House.

The Speaker: The hon. Minister of Environment.

Mr. Renner: Well, thank you, Mr. Speaker. I, too, would like to take this opportunity to introduce to you and to members of the Assembly some constituents of mine who have joined us in the gallery this afternoon. Hon. members, I would like to introduce David and Pat Jamieson, who are spending the afternoon with us. They'll be here for question period, and then they're also coming back to witness the budget speech.

Members may be familiar with an organization in Medicine Hat, Medalta Potteries, a historic site. David Jamieson is one of the individuals, in my opinion the major individual, who is responsible for the establishment of the Friends of Medalta and the restoration of this national historic site.

I'd ask them both to rise and receive the recognition of all members of the Assembly.

The Speaker: The hon. Member for Whitecourt-St. Anne.

Mr. VanderBurg: Thank you, Mr. Speaker. I have guests to introduce today. It's my pleasure to introduce to you and through you to members of this Assembly 35 students and three teachers and parents from the Rich Valley school, which is located in my constituency of Whitecourt-St. Anne. Accompanying them today is a guest, Lorne Olsvik, from the council from Lac Ste. Anne county. Most of you knew Lorne in his former days as the president of the AUMA. He's here to join his favourite niece, Mackenzie, with the Rich Valley school. I'll ask them all to rise and receive the warm welcome of this Assembly.

The Speaker: The hon. Member for Battle River-Wainwright.

Mr. Griffiths: Thank you, Mr. Speaker. It's a pleasure for me to rise today to introduce to you and through you to members of this Assembly my assistant Peter Pilarski. You see, today Peter is leaving and moving on to a new and productive job with the chamber of commerce here in Edmonton. Peter is one of the most hard-working people I've ever had work with me. The chamber's gain is for sure my loss. I'd ask Peter to rise and receive the traditional warm welcome of this Assembly and a fond farewell and best of luck.

The Speaker: The hon. Deputy Speaker.

Mr. Marz: Thank you, Mr. Speaker. I'm pleased to rise today to introduce to you and through you to all members of the Assembly 15 enthusiastic students from the Kneehill Christian school. They are here today to learn about how the government deals with the many challenges of the fastest growing economy in the country. They're accompanied today by their teacher, Ms Terri Miller, along with parents Mr. and Mrs. Ron and Dolores Reimer, Mr. and Mrs. Lester and Flora Reimer, Mr. and Mrs. Andy and Bev Mandel, Mr. and Mrs. Wayne and Arlene Penner. I'd ask them to rise in the members' gallery and receive the traditional welcome of the Assembly.

The Speaker: The hon. Member for Little Bow.

Mr. McFarland: Thank you, Mr. Speaker. I've been looking to see if my guests have arrived. They left at 7 this morning. I'm going to introduce them in case they may be in one of the galleries.

Mr. and Mrs. Don and Doreen Miller from Carmangay are coming up for their first time ever. Don and Doreen have farmed their whole lives. They were families of homesteaders in the area. He was also my Scout leader as a young guy. His wife came from England to nurse in Carmangay and retired a few years ago as the director of nursing, and I don't think she's regretted a day in her life that she has lived along the Little Bow River with her husband, Don, raising their three kids. I'm most pleased that they've made the trip up here. They're going to take in the budget later. I would wish that everyone here would give them a warm welcome.

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

1:10

Mr. Mason: Thank you very much, Mr. Speaker. It gives me great pleasure to introduce to you and through you to this Assembly a group of workers at the Palace Casino who are currently on strike. They're here today on the 223rd day of this long and arduous strike. These are hard-working Albertans who simply want a fair and safe workplace. They're forced to be on the picket line in part due to this government's failure to protect workers' rights. They are Brian Clelland, Brenda Campbell, Elaine French, Hellen Shiloff, Barbara Billingsley, Hazel Jorgensen, Jeremy O'Haver, Menar Ibrahim, Joan Harvey, and UFCW 401 representatives Christine McMeckan and Don Crisall. I would now ask that these individuals rise and receive the traditional warm welcome of this Assembly.

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

Dr. Pannu: Thank you, Mr. Speaker. I'm delighted to introduce to you and the Assembly three bright student leaders. They are members of either the incoming or the outgoing executive of the University of Alberta Students' Union.

Led by long-term student leader and president Samantha Power, the 2006-2007 executive has been one of the most effective and active student unions in a number of years. This year's students voted overwhelmingly in favour of a historic universal bus pass that will make the cost of transportation much cheaper for struggling students. Mr. Speaker, this executive ran a strong campaign for accessible and affordable education for all postsecondary students by advocating an effective tuition rollback and serious student loan reforms. Internally they were highly successful in achieving greater input into the classroom experience through projects like mid-term professor evaluations. I would like to thank the outgoing executive for their dedicated service and enlightened leadership and wish them the very best in their future endeavours.

Samantha Power is joined today by members of the incoming executive, who were elected in early March to their respective positions. My congratulations and best wishes to them. I'm sure they will be carrying on the good work of the student union as they embark on their exciting year. I will now ask that they rise as I call out their names and for members to hold their applause until each has been introduced: Samantha Power, outgoing president; Michael Janz, incoming president; Steven Dollansky, incoming vice-president external. They are now up on their feet. Please give them a warm welcome.

The Speaker: The hon. Member for Red Deer-North.

Mrs. Jablonski: Thank you, Mr. Speaker. Today it's my honour and my pleasure to introduce my constituent Kevin Pizzey. Kevin is a teacher, a representative from the ATA, and a member of my board. Kevin is in the members' gallery. I'd like him to rise and receive the warm welcome of the House.

The Speaker: Are there others? The hon. Member for Lethbridge-West.

Mr. Dunford: Thank you, Mr. Speaker. I'd like to introduce to you and through you to members of the Assembly a very dynamic woman that lives in Lethbridge. Her name is Maureen Calder. Besides being a wife and a mother, she's also chair of the Lethbridge public school district No. 51 and is a very, very strong advocate for children and their education. But, more importantly, while I'm very proud to recognize her, she has led in the co-operation movement that's gone on in Lethbridge between the public and the separate school boards: very, very good in Lethbridge.

head:

Members' Statements

The Speaker: The hon. Member for Red Deer-North.

Armenian Genocide

Mrs. Jablonski: Thank you. Mr. Speaker, Adolf Hitler said, "Who remembers the Armenian genocide?" and then proceeded to methodically exterminate the lives of over 6 million people. Every year in April we remember these innocent victims on Holocaust Memorial Day. On April 24 of every year Canada and the world recognize another genocide, the first genocide of the 20th century, the massacre of over 1 and a half million Armenian men, women, and children by the Turkish government.

Over 90 years ago my grandparents, Mariam and Paravon Kalagian, escaped the brutal massacre of the Armenian people. Ironically, it was a Turkish family that saved their lives.

While many justly condemned the horrific acts of the extermination that took place, I want to take a moment to thank the Turkish people who risked their lives to protect innocent Armenians from the brutal soldiers and their butcher battalions. My Armenian grandmother survived because of a courageous Turkish family that raised her with love and kindness after her family was murdered.

Mr. Speaker, our world survives these periods of terror because of just and kind people who have a great capacity to love one another. Today I ask everyone to remember so that we might prevent future holocausts. Should another person in history ask, "Who remembers the Armenian genocide?" we can stand up and say: we remember.

The Speaker: The hon. Member for Edmonton-Castle Downs.

Taddes Korris, Speaker's Page

Mr. Lukaszuk: Thank you, Mr. Speaker. It's an honour to participate.

There are a number of young students who assist the members while they are here in the Chamber, and all should be recognized for the fantastic service they provide. Today I rise to recognize one of our Legislature pages in particular. He is the hon. Speaker's page, Taddes Korris.

Taddes is currently completing his final year of high school here in Edmonton at Archbishop MacDonald high school. Taddes does an excellent job of balancing his education with his time here in the House on Mondays and Wednesdays. This is demonstrated through his numerous accomplishments. First, he was selected as a semifinalist from over 4,000 students who applied for the Canadian merit scholarship. After being shortlisted, he was flown to Toronto, where he was presented with a \$3,000 scholarship. Shortly after receiving this honour, he was also shortlisted for the millennium scholarship. Following a successful interview, he was made a semifinalist.

Somehow, while making fantastic grades and providing superb service to officers and Members of the Legislative Assembly, he also managed to take the time to fly to New York to audition for Juilliard. Juilliard is one of the world's top-ranked schools for the performing arts. While Juilliard is a fantastic institution, this young man has been accepted into the music program at McGill University, another great postsecondary school in Canada.

Mr. Speaker, while we would like to keep Taddes here in the province, he will not be spending his summer here in Alberta as he is off to Edinburgh, Scotland, to play in the Edinburgh Festival Rehearsal Orchestra.

Please join me in congratulating Taddes Korris on all of his accomplishments. I know he will go on to do great things in life.

Thank you, Mr. Speaker.

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

National Victims of Crime Awareness Week

Mrs. Forsyth: Thank you, Mr. Speaker. Next week marks the second annual National Victims of Crime Awareness Week. Whenever a high-profile crime is committed, the offender's name is the one name that people remember. The victims, on the other hand, often fade into the background, faceless and nameless. This year's theme is It's Time to Listen. Victims deserve to be heard, and above all else they must be treated with compassion and respect.

In March 2006 the Solicitor General and Public Security launched a three-year campaign to let Albertans know that there is someone they can call or programs they can access if they become a victim. Earlier this month the government of Alberta unveiled the first step-by-step guide ever developed in Canada to help victims of crime through the criminal justice system. Work is always being done to ensure that victims who qualify receive some financial benefits. The province is providing increased funds to organizations that support victims of crime. Over the past five years the number of programs supported by the victims of crime fund and the number of victims receiving financial benefits has always increased.

The government of Alberta believes that victims of crime should be heard. We will continue to develop programs and services that ensure that victims, like all Albertans, can live, work, and raise their families in safe and secure communities.

The Speaker: The hon. Member for Lacombe-Ponoka.

Baker to Vegas Challenge Cup Relay Race

Mr. Prins: Thank you, Mr. Speaker. I'm very pleased to rise today to recognize an outstanding Alberta team of law enforcement personnel who will soon be on their way to participate in the 2007 Baker to Vegas Challenge Cup Relay, also known as the Super Bowl of law enforcement competition. The 120-mile relay race, being held this weekend, begins in the eastern Mojave Desert community of Baker, California, and ends in Las Vegas, Nevada. The run itself takes about 20 hours to complete, making it the largest and most unique law enforcement race in the world, with more than 200 teams participating from around the world.

There are two teams from Canada: the central Alberta team and the Calgary team. The central Alberta team consists of 20 runners and three alternates and about a dozen support staff, including Dr. Dennis Ethier. The executive consists of team captain, Constable Scott Lowther with the Lacombe Police Service; assistant captain Special Constable Vanessa Hartung with commercial vehicle enforcement; and assistant captain Special Constable Tina Brackenbury with Red Deer county enforcement. The secretary and chief financial officer is Sheriff Bob Reich with Alberta sheriff traffic enforcement.

1:20

The purpose of this highly competitive event is to promote camaraderie, physical fitness, pride, and teamwork, which I believe has already been achieved. It was an honour for me to attend their official team send-off on April 17 in Lacombe. The members have trained for this race with enormous dedication, determination, and commitment while continuing their day-to-day work protecting our communities.

These members are role models for all of us, showing a commitment to healthier lifestyles and a firm dedication as team players. Lacombe's chief of police, Dave Lock, is pleased to have established a very strong working relationship with the Alberta sheriff service, commercial vehicle enforcement, and Alberta special constables and has commented on how encouraging the spirit of co-operation outside their day-to-day operations has been.

Our new and fit police force is making great strides in fighting crime, and the strong bonds of friendship they have established from the north to the south will only serve to strengthen working relationships. We are proud of this team. We must all work together to provide safe and secure communities.

As this is not an easy race and some teams may not finish, I believe our team will do very well. As a good central Albertan I must add that even if we can't win the whole race, at least we'll try to beat Calgary.

The Speaker: The hon. Member for Edmonton-Beverly-Clareview.

First Contract Arbitration

Mr. Martin: Well, thank you, Mr. Speaker. The Palace Casino workers have been on the picket line for 223 days. That's 223 unnecessary days of lost wages and workplace acrimony. And I'm using the word "unnecessary" because this strike could have been avoided if the government had done the right thing and brought in legislation that allows for first contract arbitration.

The Palace Casino workers are only the most recent victims of this government's employer-friendly approach to labour relations. Before Palace Casino there was the Lakeside Packers strike, and before Lakeside there was the Shaw Conference Centre strike. A-Channel workers suffered through a long and fractious battle, as did

staff at the *Calgary Herald*. These were bitter disputes that divided communities and turned colleagues into enemies. It all could have been avoided if this government had done the right thing and protected workers who chose to join a union with first contract arbitration.

Without first contract arbitration there is a disincentive for employers to engage in real dialogue in negotiations with workers. By refusing to implement first contract arbitration, this government takes a de facto pro-employer position at every workplace where workers choose to organize and demand fair wages and working conditions. The lack of first contract arbitration also has a chilling effect on other workers who think that a union could help them gain a living wage or a safer workplace.

Mr. Speaker, Alberta is one of only three provinces where workers aren't protected by first contract legislation. This government has given Alberta the distinction of having the most backward labour laws in the country. If collective bargaining is to work effectively, there has to be a level playing field. Surely even this government must now recognize that the labour laws in this province have to change to bring stability and fairness to the workplace.

Electricity Deregulation

Mr. MacDonald: Everyone in Alberta, outside of this Progressive Conservative government, knows that electricity deregulation has been a huge failure. We've all suffered the consequences. It's a fact.

Alberta farmers have suffered under this government's electricity deregulation experiment. While farm electricity costs in Manitoba, Saskatchewan, and British Columbia have increased only slightly since 2001, in Alberta they have skyrocketed as a result of electricity deregulation. Since 2000 Alberta farm electricity costs have increased by an unbelievable 38 per cent. It's a fact.

Alberta families and business owners have also paid a high price for this government's electricity deregulation experiment. On several occasions the actual posted pool price on the Alberta Electric System Operator website has reached its peak of \$999 per megawatt. Consumers are getting ripped off. It's a fact.

We have all been forced to pay a very high price for this government's electricity deregulation experiment. In the past 12 months the AESO has issued several emergency energy alerts due to a lack of available electricity. This has resulted, unfortunately, in blackouts. Despite the government's claims that deregulation has increased their capacity, the Department of Energy's annual report shows that our electricity generation capacity has actually decreased since 2003. It's a fact.

During the Progressive Conservative leadership race the Premier publicly pledged to initiate a review of the deregulation scheme to assess the degree to which consumers have benefited. I sent the Premier a letter asking him when he would unplug deregulation and save Albertans from any further economic suffering. He did not reply. It's a fact.

In the wealthiest jurisdiction in Canada with all our resources we can't even count on a reliable electricity supply. This is due to electricity deregulation. It's a fact.

head:

Introduction of Bills

The Speaker: The hon. Member for Cypress-Medicine Hat.

Bill 32 Animal Health Act

Mr. Mitzel: Thank you, Mr. Speaker. It is my pleasure on behalf of the Hon. George Groeneveld . . .

The Speaker: No, no, no.

Mr. Mitzel: . . . on behalf of the hon. Minister of Agriculture and Food to rise today and request leave to introduce Bill 32, the Animal Health Act.

The Animal Health Act will repeal and replace the existing Livestock Diseases Act, which was created in 1946. This new act will allow Alberta to better prepare for the outbreak of highly contagious livestock diseases and respond to emergency disease situations quicker and more effectively to protect both animal and human health.

Thank you, Mr. Speaker.

The Speaker: My intervention was not about the member's ability to introduce a bill. It was about the usage of a certain name.

[Motion carried; Bill 32 read a first time]

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

Bill Pr. 1 CyberPol – The Global Centre for Securing Cyberspace Act

Mr. Cenaiko: Thank you very much, Mr. Speaker. I request leave to introduce a bill being Bill Pr. 1, CypberPol – The Global Centre for Securing Cyberspace Act.

The objects of the centre are to establish and operate an international centre for the co-ordination and advancement of public safety, intelligence gathering, and government response related to the problem of cybercrime such as child exploitation, financial systems fraud, threats to critical infrastructure, and intellectual property and identity theft.

Thank you.

[Motion carried; Bill Pr. 1 read a first time]

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Bill Pr. 2 Crest Leadership Centre Act

Mr. Marz: Thank you, Mr. Speaker. I request leave to introduce a bill being Bill Pr. 2, the Crest Leadership Centre Act, which provides for the incorporation of the Crest Leadership Centre.

[Motion carried; Bill Pr. 2 read a first time]

The Speaker: Hon. Government House Leader, would you like to deal with an additional motion with respect to Bill 32?

Mr. Hancock: Thank you, Mr. Speaker. I would. I'd like to move that Bill 32 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

head:

Tabling Returns and Reports

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

Mr. Eggen: Thanks, Mr. Speaker. I'd like to table the appropriate number of copies of a letter dated April 3 of this year. This letter comes from a number of individuals and groups, including John

Cross, the Chief Mountain Group, Bagg Creek Environmental Coalition, Chinook Area Land Users Association, Pembina Institute, South Porcupine Hills Stewardship, and the Alberta Wilderness Association. They're all very concerned about the current and the future state of the eastern slopes. They strongly endorse the concept of a pause or a time out for many resource developments occurring now in the southeast slopes of Alberta.

Thanks.

head: 1:30

Oral Question Period

The Speaker: First Official Opposition main question. The hon. Member for Edmonton-Rutherford.

Timberland Investment Loss

Mr. R. Miller: Thank you very much, Mr. Speaker. Albertans are eager to see real progress on the Premier's promise of more openness and transparency from this government. Yet every time I ask questions of the Finance minister about the \$11 million loss in the timberland asset class, I come away with more questions than answers. So I figure it's time to go to the top. My questions are for the Premier. Will the Premier please tell us how the government learned about this situation, whether or not the Auditor General was called in immediately, what recommendations were made by the Auditor General, and when they were implemented?

Mr. Stelmach: The other day they were answered by the minister. If they didn't get clarity on the answers, put it down in a letter to me. I'll get it to the minister. We'll put it down in writing so they have the answers once and for all and will not keep bringing this up every day.

The Speaker: The hon. member.

Mr. R. Miller: Well, thank you, Mr. Speaker. I didn't really expect that the Premier would be able to give them to me today, but I will put them in a letter, and I hope to have those answers from him by next week.

Can the Premier please tell us why this situation was not reported in the Department of Finance's annual report, nor was it reported in the Auditor General's annual report?

Mr. Stelmach: Mr. Speaker, I'm quite sure that question will also be included in the letter that the hon. member will be sending to me sometime later this week.

Mr. Elsalhy: It'll be a long letter.

Mr. R. Miller: Well, yes, Mr. Speaker. I expect it will be a long letter, and hopefully the answers will be just as long.

Yesterday the Finance minister went to great lengths in this House to explain that the timberland investment is performing very well, having generated \$61 million in revenue. My next question is for the President of the Treasury Board. If the investment is performing so terribly well, why did the President of the Treasury Board, the man who controls the purse strings in this province, approve \$7 million in supplementary spending to reimburse the various funds?

Mr. Snelgrove: Mr. Speaker, one thing the government does and one thing we do with our Auditor General is make sure that our books are balanced, are accountable, and are open. It's kind of ironic that not one of the questions in here comes with the good investments that that department does and the hundreds of millions

of dollars that these people make for the people of Alberta. Unfortunately one employee made a mistake and lost money. That's unfortunate.

The Speaker: Second Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Royalty Revenues

Mr. MacDonald: Thank you, Mr. Speaker. We're going from \$11 million in lost funds to many, many millions of dollars in lost revenue in this province because we're not collecting enough on our royalties. On October 28, 2005, Mr. Bary Rodgers, a royalty expert from the Department of Energy, sent a new e-mail updating his colleagues on the ministry's internal royalty review. This e-mail states in part, and I quote: we are not capturing our fair share at high prices. End of quote. Meanwhile, the state of Texas collects a royalty of 25 per cent on oil and gas revenue. How much should we collect in this province in royalties?

The Speaker: The hon. minister.

Mr. Knight: Well, thank you very much, Mr. Speaker. The items that are quoted by the member opposite are exactly the reason that the Premier of the province of Alberta has asked for and is today receiving information and conducting a review with respect to the royalty structure in the province of Alberta. We have tabled information in this House, public information available to all Albertans. We have nothing to hide, and the review is ongoing.

Mr. MacDonald: Mr. Speaker, the review has been ongoing for years, and nothing has been done.

Again to the Minister of Energy. Texans receive 25 per cent royalty for their oil and natural gas. Why do you allow Albertans to collect significantly less?

Mr. Knight: Mr. Speaker, again, a bit of a shotgun approach here with respect to the situation in the province of Alberta. We can pick pieces out of someone's royalty revenue from anywhere in the world, and we do. If we pick a piece out of some information that comes from the state of Texas, please let's compare apples to apples. When this royalty review is completed, it will become very clear that Albertans have been well served by the system, and they will continue to be well served by the system. I will also say that there was conclusion to four separate programs, and the royalties last year saved Albertans \$300 million.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. A point of information. The hon. minister is the one that wanted to compare Texas to Alberta, and we fall short in that comparison because we're not getting enough in royalties.

Now, again to the same minister: why does this government insist on collecting only 10 to 15 per cent royalty on oil sands projects after initial construction costs are paid off when over in Texas they're getting 25 per cent royalty?

Mr. Knight: Mr. Speaker, there are many, many parts to a very complicated question with respect to the royalty structure. These percentages: if you pick a snapshot anywhere inside of a structure like that, you may or may not find areas where there are lower percentages and higher percentages. The thing is: the y're open,

public; the review is being done; and the royalty structure will be well explained to Albertans and will serve Albertans very well in the future.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Ellerslie.

Royal Alberta Museum Renovations

Mr. Agnihotri: Thank you, Mr. Speaker. For years this government has been planning to renovate and expand the Royal Alberta Museum, but now all the hard work, imagination, creativity, and money that has been put into this project has been wasted as architects have been forced back to the drawing board. My question to the Premier: does the Premier show appreciation for arts and culture in Alberta by scrapping plans to turn the Royal Alberta Museum into a celebrated cultural symbol?

Mr. Stelmach: Mr. Speaker, once again wrong information. This government has not scrapped any plans to refurbish or build a new museum. In fact, we're working feverishly, trying to finish the planning. This is a massive, massive project. It does require great detail in the construction, so we're certainly following up on it. Any other detail in terms of the planning the minister responsible can answer.

Mr. Agnihotri: Mr. Speaker, the Premier claims that his government is open, transparent, accountable. If that is actually true, can the minister explain why senior staff working on the project were directed by this government to keep quiet about the design and delays?

Mr. Goudreau: Mr. Speaker, we certainly have not stopped the project at all. We're trying to be responsible. We initially had committed about \$180 million to this project. Last fall we added another \$20 million to the project. We recognize that the tenders and the amounts are coming up slightly higher than \$200 million, and we've directed our people to work within the \$200 million budget. Two hundred million are significant dollars, and certainly we're just trying to be responsible and work within the budgets that we have.

Mr. Agnihotri: Well, why didn't you inform the public?

My question to the Premier again. Funding for this expansion was supposed to be a partnership with the federal government. Did the Premier request extra funding from the federal government, their own cousins, to help cover the additional costs of the expansion before cancelling it, or is this another example of this government's firewall against Ottawa?

Mr. Stelmach: Mr. Speaker, we're talking about cousins and relatives. I'm sure that our cousins in Ottawa are still dealing with the issues, the work left by the cousins of those across the floor, so we'll be debating cousins and relatives for quite a while. But all I can assure you is that we're moving on this project. It's critical – we're into our second century as a province of Alberta; we have such a tremendous wealth of artifacts and good information – so that we give that to the next generation so that they can be equally proud of their province of Alberta.

The Speaker: The hon. leader of the third party, followed by the hon. Member for Edmonton-Manning.

1:40 Electricity Line between Edmonton and Calgary

Mr. Mason: Thanks very much, Mr. Speaker. Earlier this week the EUB hearings into the 500-kV power line erupted in chaos. Hundreds of concerned Albertans became incensed when the EUB told them that oral objections to the 500-kilovolt line would not be accepted. It's no wonder that things got out of hand at the hearings. The lack of due process and fairness at these hearings is staggering. This is to the Minister of Energy. Will the minister stand up for landowners in this province whose democratic rights have been trampled by the AEUB's lack of regard for fair process and direct the board to rehear the application on this controversial line?

The Speaker: The hon. minister.

Mr. Knight: Thank you very much, Mr. Speaker, I will stand up for all Albertans. With respect to the issue regarding the transmission system in the province of Alberta, the EUB has a very tried, true, tested, and honest process to deal with these issues. This is the first time in the history of Alberta that this has happened. At some points some people do not respect other Albertans, and this is what happened here. There's been, unfortunately, a breakdown of respect at this particular set of hearings. The EUB will deal with it.

The Speaker: The hon. member.

Mr. Mason: Thanks very much, Mr. Speaker. It's this government that doesn't show respect for Albertans.

We do not need this power line. Ordinary Albertans don't want it. It's designed for one thing and one thing only: the export of electricity to the American market. I want the minister to stand up for hard-pressed electricity ratepayers in this province and make sure that this merchant power line, intended for export of power to the United States, is paid for by those who are going to profit by it.

The Speaker: The hon. minister.

Mr. Knight: Well, thank you, Mr. Speaker. Unlike the NDP, this government cares for all Albertans – all Albertans. We care for the Albertans in southern Alberta, in the city of Calgary, in Red Deer, and in Grande Prairie that require a robust electrical system that will continue to provide good service to Albertans now and in the future.

Mr. Mason: Mr. Speaker, if this government cared about ordinary Albertans, it would be concentrating on developing power and transmission for Albertans and not for the American market, which is what this is all about.

I want this minister to stand up and tell the people of Alberta whether or not we're going to bum coal, have pollution, disrupt the eastern slopes of the Rocky Mountains in this province, and have ratepayers pay, all so that you can export electricity to the American market. Will you put a stop to it, Mr. Minister, and make sure Albertans get the power that they need?

Mr. Knight: Mr. Speaker, which one of the 15 questions would he like me to address first? With regard to supplying reliable electricity to the people of the province of Alberta – all of the people – Albertans include industrial ratepayers. They include small-business enterprises, they include the agricultural sector, they include ordinary Albertans that turn the light switches on and off day in and day out, and this government – this government – is standing very firm to supply those Albertans with a reliable electrical system that they can count on.

The Speaker: The hon. Member for Edmonton-Manning, followed by the hon. Member for Calgary-Bow.

Aboriginal Training and Employment

Mr. Backs: Thank you, Mr. Speaker. Aboriginal entrepreneurs are key role models for our aboriginal youth. To improve economic opportunities for all aboriginal Albertans, we must ensure that educational and financial capital and job skills are ready and available to them. Yet high school dropout rates remain high, unemployment is more than twice the rate of nonaboriginals, and aboriginals are the fastest growing sector in our population. My question is to the minister for aboriginal relations. How will the government bring down the aboriginal high school dropout rate and make sure that all aboriginals get a quality education?

The Speaker: The hon. minister.

Mr. Boutilier: Thank you very much, Mr. Speaker, to the hon. member for the question because it's an important one. Aboriginals, First Nation, or Métis settlement and Métis nation: they are all part of our solution because our Premier and this government have always taken the approach that Alberta, first, other parts of Canada, second, and then international, third. And I want to reassure this House and all members of this House and the hon. member that, let's be clear: First Nations and the aboriginal apprenticeship programs we've had – I'm very proud to say the largest employer of aboriginals is Syncrude Canada, where over 25 per cent of the workforce is made up of aboriginals. That is a vision and we're looking for others to . . .

Mr. Backs: A supplementary to the same minister: what will the government do to ensure that aboriginal entrepreneurial opportunities are fostered in our growing upgrader, pipeline, and oil sands sectors?

Mr. Boutilier: Mr. Speaker, again an important point. Through our strategic economic initiative program there have been 17 partnership agreements signed between industry and First Nations. How many, you ask? Seventeen partnerships, in fact, have been signed. This is real proof that this government has a plan, a plan that is working today and well into the future.

Mr. Backs: A supplementary to the same minister: what will the minister's department do to increase the way that aboriginal entrepreneurial success stories are celebrated and pushed as role models in Alberta?

Mr. Boutilier: Mr. Speaker, role models are important to all of us. Recently the Premier and other members were at the Chambers of Commerce resource night, recognizing aboriginal award winners that night, and I want to say how proud we all were of the young people and the women and young leaders that were involved and their entrepreneurial spirit. They are role models for all Albertans. We're following that. I've very proud of that partnership with the Alberta Chambers of Commerce and of everyone in this Assembly who did attend that night.

The Speaker: The hon. Member for Calgary-Bow, followed by the hon. Member for Calgary-Currie.

Minister's Council on Municipal Sustainability

Ms DeLong: Thank you very much, Mr. Speaker. There seems to be some confusion regarding a supposedly Alberta government

report regarding new municipal taxation powers. To the minister of municipal affairs: could the minister please explain to this House who prepared the Minister's Council on Municipal Sustainability report, and what is the makeup of this council?

The Speaker: The hon. Minister of Municipal Affairs and Housing.

Mr. Danyluk: Well, thank you very much, Mr. Speaker. First of all, I want to say that the composition of the Minister's Council on Municipal Sustainability includes the mayor of the city of Edmonton, the mayor of the city of Calgary, the president of the AUMA, and also the president of the AAMD and C. The report was compiled by that council, and that report was presented to us. Let me say that again. The report that was presented to the government was a report that was made up of the recommendations from this council, which represents the municipalities of Alberta and the citizens of Alberta.

The Speaker: The hon. member.

Ms DeLong: Thank you. To the same minister: what is the current status of the report?

The Speaker: The hon. minister.

Mr. Danyluk: Well, thank you very much, Mr. Speaker. First of all, I want to say that the government has received the report. The ministry has received the report. We are going through the government [not recorded] trying to have responses. Today we will have some recommendations in the budget.

Thank you.

The Speaker: Hon. members, there is currently some difficulty with some of the microphones in the Assembly. [not recorded] The operator is attempting to find a solution. Okay?

Ms DeLong: Mr. Speaker, does the report provide new taxation powers for the municipalities?

Mr. Danyluk: Mr. Speaker, let me make this very clear. The report does not provide taxation powers. The report has requested the opportunity or tools for taxation ability. So the minister's council has asked for taxation powers from this government for this council to be able to use voluntarily with their own municipalities. This is not something that the government is bringing forward. It is from the minister's council to this government. [The sound system made a noise]

The Speaker: The hon. Member for Calgary-Currie, followed by the hon. Member for Whitecourt-Ste. Anne.

Mr. Taylor: For those about to rock. The minister of municipal affairs looks like he might have been an AC/DC fan in the day. I was just wondering.

Federal/Provincial Relations

Mr. Taylor: Albertans don't want a political firewall around their province. The overwhelming majority of us are both proud Albertans and Canadians. Alberta Liberals share this view. The overwhelming majority of Albertans want a government that defends this province's interests within Canada constructively and practically, not based on some extreme agenda or driven by some tired ideological fetish. Alberta Liberals share this view. It's unfortunate that not

all members of the PC government do. [not recorded] To the Minister of Justice. On Tuesday the Minister of Sustainable Resource Development championed the wisdom of the firewall to protect us from Ottawa. Does the government and the minister believe such a firewall is wise?

1:50

The Speaker: Questions must come within the ministerial responsibility of a particular minister. If the minister finds such, proceed.

Mr. Boutilier: It would be my pleasure to talk about such nonsense as what the person has just talked about. We're Canadians, proud to be Canadians. But one thing is for certain: we will protect the interests of all Albertans. That's why we are clearly a province separate from every other province, because of this government's great work.

The Speaker: The hon. member.

Mr. Taylor: Thank you, Mr. Speaker. To the minister of intergovernmental relations, then. As the minister knows, one of the other signatories to the infamous firewall letter that was signed some years ago by the Minister of Sustainable Resource Development is the current Prime Minister. Now, on this side of the House we already know what's so scary about Stephen Harper, but we're wondering if the minister can explain what scares the government about the Prime Minister.

Mr. Boutilier: You know, on the *Flintstones* it's called 'boulderdash,' the comments of the hon. member. Truly, our Prime Minister of Canada, Stephen Harper, who comes from Alberta, is a great Prime Minister. Furthermore, Mr. Speaker, we compliment the Prime Minister for selecting an elected Senator from Alberta, again showing Alberta's leadership to the rest of Canada. I'm very proud of what has happened. To the students here today, they should be very proud of the elected process that we have, coming proudly from Alberta.

Mr. Taylor: So, Mr. Speaker, maybe the minister of intergovernmental relations, then, can explain why the Minister of Sustainable Resource Development would think that we would need a firewall to protect us from Ottawa. Can the minister assure us that the Minister of Sustainable Resource Development, who I hear chirping in the background, is aware that the PC leadership race is over and that he lost?

Mr. Boutilier: Mr. Speaker, that statement and that comment – that dog don't hunt. I would ask the hon. Minister of Sustainable Resource Development to talk about the important intergovernmental components of what you're speaking of.

The Speaker: The hon. Member for Whitecourt-St. Anne, followed by the hon. Member for Edmonton-McClung.

Lobbying Government

Mr. VanderBurg: Thank you, Mr. Speaker. Northern Gateway, Living Waters, and Grande Yellowhead school boards and their staff do a great job in Whitecourt-St. Anne and the neighbouring constituencies. The board members believe that under the new legislation these volunteers will have to register as lobbyists before they're allowed to discuss education issues with elected members of this Assembly. To the Minister of Education. The board members

feel that this is unfair and want to know what you will do to rectify this situation.

Mr. Liepert: Mr. Speaker, the issue has recently been brought to my attention. I know that the president of the Alberta School Boards Association has also made the case known to the Premier via letter because I happened to get copied on it. Like the hon. Member for Whitecourt-St. Anne I happen to agree with the school board trustees.

The Speaker: The hon. member.

Mr. VanderBurg: Well, thank you, Mr. Speaker. That's not really what I was looking for. I want to know what the Education minister is going to do to rectify this situation.

Mr. Liepert: Well, Mr. Speaker, I was kind of giving the member a chance to ask a couple of supplementaries. I know that before the House we currently have the lobbyists legislation. I know that as part of our open and democratic process we've established all-party committees. It would be my suggestion that this would be a good bill that we could refer to one of the all-party committees, and the Alberta school board trustees could make their case to all members.

Mr. VanderBurg: Well, Mr. Speaker, I just want to clarify this before I go home next week and talk to the school boards. The minister is saying that rather than amending this legislation, the school boards should lobby the all-party committee to change the lobbyists registry. Is that right?

The Speaker: Well, hold on here, members. This bill is slated to come before committee. I cannot recall, standing here, if it's been called yet for committee. We just passed new rules this week, so let's be very careful with what we're talking about here.

Mr. Liepert: Well, I appreciate your ruling, Mr. Speaker. I'm just assuming that it's going to happen.

The Speaker: The question is: what will happen? Sorry to get involved in the debate.

The hon. Member for Edmonton-McClung, followed by the Member for Calgary-Shaw.

Judicial System

Mr. Elsalhy: Thank you, Mr. Speaker. Recently in this House the Minister of Sustainable Resource Development stated that he believes that the Charter of Rights and Freedoms means government by the judges and the judiciary. It appears that this government member does not believe that the Charter of Rights and Freedoms is here to protect all Albertans and Canadians. He probably thinks that we and the government are at the whim of the courts. To the Minister of Justice: can the minister tell us if, indeed, his government takes its direction from the courts, as his SRD colleague seems to believe?

Mr. Stevens: Well, I'm not sure that it's a matter of policy, Mr. Speaker. But I think it's fair to say that the Canadian system of justice recognizes our courts as independent, and they have a vital role to play in the justice system. The Charter of Rights is one of the fundamental pieces of legislation that is applicable in all of our courts. There is tension within society as people argue about that Charter, and the courts are a very important part of helping us move forward.

Mr. Elsalhy: That was a good answer, Mr. Speaker.

From comments heard in this House, we must ask whether this government is committed to being a part of Canada. There was a comment about the wisdom of a firewall around Alberta to protect us from Ottawa, as was previously mentioned. This is troubling and disturbing when a minister of this government takes a shot at a unified Canada and the Charter, which protects his as well as all of our rights and freedoms. To the minister of international and intergovernmental affairs: can the minister tell us in what direction his government will be taking this province? Are we pursuing an isolationist agenda that separates us from Canada and negates the protections that we're all granted under the Charter?

Mr. Boutilier: Mr. Speaker, let me just say that letters from six years ago reflected at that time what the world was at that time. But I do know that the Minister of SRD and all of this side of the government clearly . . . [interjections] I will finish if one of the Liberal members would maybe listen to what I am saying. [interjections]

Mr. Speaker, through you let me say – I'm sure I'll get more time now – that it's very important that we take an approach that we will protect the interests of Alberta as proud Canadians.

The Speaker: The hon. member.

Mr. Elsalhy: Thank you, Mr. Speaker. The Prime Minister prefers judges who think like him, so he started altering the makeup of the 12 regional judicial advisory committees, trying to turn them into bodies that will do his bidding rather than choosing the most qualified judges. It seems Mr. Harper is trying to Americanize the Canadian judicial system without any checks and balances. He wants to politicize the judiciary, showing contempt for the time-tested Canadian tradition of judicial independence. I'd find it very disturbing if a high-ranking minister of this government feels the same way. To the Minister of Justice again: can the minister tell us if his government is going to change the way members of the judiciary are appointed in this province? Is he going to follow the lead of his federal Tory cousins in Ottawa and erode . . .

Mr. Stevens: Well, Mr. Speaker, the fact is that the federal government appoints within this province members of the Queen's Bench and the Court of Appeal. Our responsibility is to appoint members of the Provincial Court. I can tell the hon. member and all people listening that we have an excellent process, which is different than the federal process but an excellent process, that's been in place for a number of years now. It involves the Judicial Council. It involves the Provincial Court Nominating Committee. These bodies interview the people who have applied to become judges. There is a list of qualified people that is provided to the government through the Minister of Justice, and it's from that list that we make recommendations.

The Speaker: The hon. Member for Calgary-Shaw, followed by the hon. Member for Edmonton-Calder.

2:00

Secondary Suites

Mrs. Ady: Thank you, Mr. Speaker. My questions are for the Minister of Municipal Affairs and Housing. Affordable housing is such an issue in Calgary and across this province. Basement suites have been a source of affordable starter housing for decades; however, regulations across the province have been severely limiting this opportunity. Can the minister advise the House what changes in regulation have been made to help alleviate this situation?

The Speaker: The hon. minister.

Mr. Danyluk: Well, thank you very much, Mr. Speaker. Yes. Secondary suite standards were adopted in December of 2006, and those standards basically flowed from the MLA committee, which made recommendations to make more flexible and less onerous regulations yet to have an acceptable protection for the public. If I can use a couple of examples: the flexibility of having a single entrance into a basement suite, more flexibility for fire separation in living units, flexibility in separate heating and ventilations are achieved, flexibility in all requirements because of safety.

Mrs. Ady: For the same minister, Mr. Speaker: if basement suites provide a real opportunity to make a dent in the housing shortage, how many suites would be required to meet this need?

Mr. Danyluk: Well, Mr. Speaker, the regulations provide municipalities with the flexibility to address this housing shortage. I want to say that if there's anything that we can do to eliminate or decrease the waiting lists, it is going to be totally positive in nature. For an example: we have approximately 2,400 people in Edmonton that are on the waiting list; we have 2,700 people in Calgary; and we have 2,600 homeless in Edmonton, 3,400 homeless in Calgary. So if municipalities . . .

Mrs. Ady: My final questions are to the same minister. The explosive growth in the city of Calgary and other centres cries out for simple solutions like more basement suites. If these regulations are applied, how many suites would be made available, and how do we make this happen in Calgary immediately?

Mr. Danyluk: Well, Mr. Speaker, first of all, I want to say that this is at the discretion of municipalities. The government of Alberta has given the opportunity for municipalities to look at their bylaws, to look at their zoning, and to look if this could be achievable. When we talk about the assistance of the government, the government has also, as I stated previously, developed a template that municipalities could use to pass these bylaws. If we get any support from municipalities, which I would very much ask municipalities to do to alleviate some of the affordable housing, it would be a benefit.

The Speaker: The hon. Member for Edmonton-Calder, followed by the hon. Member for Edmonton-Centre.

Industrial Development in the Eastern Slopes

Mr. Eggen: Thanks, Mr. Speaker. The Alberta Rocky Mountain foothills are a network of endangered ecosystems, of which less than 2 per cent is protected from industrial use. A moratorium on new industrial activity in this area is urgently required until an integrated network of protected areas is established. Recently the state of Montana enacted a moratorium on development on the eastern slopes of their Rockies. Why can't our minister of sustainable resources do the right thing and declare a moratorium on new industrial activities in the Alberta Rocky Mountain foothills?

The Speaker: The hon. minister.

Dr. Morton: Thank you, Mr. Speaker. I believe the minister opposite asked a question that might involve constitutional issues, and I'm tempted to go on that, but I'll restrict myself to the immediate question. I'm happy to report that we have a land-use framework process under way. The use of public lands and private lands on the

eastern slopes is exactly the focus of that. I spent the last three months meeting with all sorts of private-sector groups, environmental groups, other types of user groups, and I'm very confident that by the end of this year we'll have one of the best land-use frameworks in Canada.

Mr. Eggen: Well, I was very interested, Mr. Speaker, to read the hon. minister's leadership platform that said that he would stand firm to protect the mountain parks in the eastern slopes. Four months have passed since he became the person who could actually do something about it, and I'm asking him now: why doesn't he step up to the plate to declare a moratorium now while there's still something left to protect?

Dr. Morton: Mr. Speaker, the members opposite have never formed government. A hundred years ago, of course, the Liberals that used to sit in this House understood that effective government follows a certain process. This caucus works together to make decisions. I'm proud to be a member of this caucus, and what we decide together, we stick to together.

Thank you.

Mr. Eggen: Well, I find that interesting, you know, because there was a moratorium that was declared 30 years ago, when a much more responsible government here in Alberta halted development while conducting a province-wide land-use hearing on the eastern slopes.

Mr. Speaker, the Rocky Mountain foothills belong to all Albertans. It's a place where we go to rest and to re-create ourselves, and we want to stop the cutting of this beautiful place into pieces. Surely, the minister must recognize the thoughtful pleas of thousands of Albertans who want to preserve our foothill region and declare a moratorium until a proper land-use structure is in place. You can do both.

Dr. Morton: Mr. Speaker, it's very obvious that all the members opposite except possibly the one missing don't want to manage growth like we are. They want to stop growth. That's what this party stands for. Our land-use framework will strike an appropriate and responsible balance between economic growth, protecting the environment, and the social concerns of Albertans.

The Speaker: Hon. members, it is inappropriate to call attention to the absence of any member.

The hon. Member for Edmonton-Centre, followed by the hon. Member for Wetaskiwin-Camrose.

Health Workforce Wellness

Ms Blakeman: Thank you, Mr. Speaker. According to a StatsCan report nurses suffer significantly higher rates of workplace injuries, stress, and chronic health conditions such as depression and high blood pressure than other workers. Registered and auxiliary nurses in Alberta had to take over 180,000 days of sick leave last year. My questions are to the minister of health. One of the obvious ways to counteract this severe staff shortage in the health region is to improve workplace conditions so fewer staff take sick leave, but in Alberta the number of sick days continues to rise. Why is this situation so out of control?

The Speaker: The hon. Minister of Health and Wellness.

Mr. Hancock: Thank you, Mr. Speaker. That's actually a very good observation, and I'm pleased to have the opportunity to address it.

As part of looking at the workforce strategy issue, one of the areas we're looking at very closely is those exact statistics. In fact, it may interest the members of this House to know that we lose approximately 560 person-years of nursing to back injury. So one of these workforce strategies could be to purchase appropriate lift aids so that nurses and other health workers would not strain their backs in the course of doing their jobs. We note on looking at the data, for example, that we have an aging and, unfortunately, a weight-gaining population and an aging nursing workforce, which contributes to that. So we're looking very closely at these sorts of issues.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Again to the same minister. The rates of sick leave more than doubled in the Calgary health region over the last year. Why are the days of sick leave in the Calgary health region so much higher than other regions? Seventeen per cent higher than the Capital health region: why is that?

Mr. Hancock: Well, as I was indicating, Mr. Speaker, we're looking very closely to determine exactly why those situations occur and what we can do. The first place to deal with the workforce strategy is of course to value the workforce that we have, to make sure that our workplaces are safe and that they're places that people want to get up and go to work to. Addressing the specific issues of time loss due to sickness and stress is exactly the important place to start in that process.

The Speaker: The hon. member.

Ms Blakeman: Well, thanks very much, Mr. Speaker. The Alberta Liberals have recommended following Saskatchewan's lead by setting up a health employer innovation fund to develop and implement creative retention programs to improve the workplace environment. It sounds like the minister is willing to support that idea and establish a fund like this as a one-year pilot project for Alberta. Is he willing to do that?

Mr. Hancock: Well, Mr. Speaker, I believe it was last Friday when the Minister of Employment, Immigration and Industry together with the Minister of Advanced Education and Technology and myself sponsored a workforce summit to bring in stakeholders to discuss issues and ideas like this. We said that we were interested in all ideas that were brought forward. I'd certainly be interested in looking at that one to see how it matches with the proposals that were on the table and the other ideas that we have. It's very important that we value our workforce, that we make sure that we get the highest productivity and the best value from our workforce because that's the best place to start.

Ms Blakeman: It's not happening.

Mr. Hancock: The hon. member says that it's not happening. I beg to differ. Our regional health authorities across the province have been very interested in this issue and are looking at ways in which we can deal with it.

The Speaker: The hon. Member for Wetaskiwin-Camrose, followed by the hon. Member for Edmonton-Decore.

2:10

Watershed Management

Mr. Johnson: Thank you, Mr. Speaker. It's been brought to my attention that members of the watershed planning and advisory

councils throughout Alberta are actively working to secure funding in order to accomplish their goals such as taking action to sustain and improve the health of watersheds, including rivers, in Alberta. However, they still rely on continued support from the government of Alberta in order to make this happen. My first question is to the Minister of Environment. Will the government of Alberta commit to provide ongoing funding to watershed planning and advisory councils, and specifically in my area for the Battle River Watershed Alliance, to ensure that their work to protect local watersheds can continue long into the future?

The Speaker: The hon. minister.

Mr. Renner: Well, thank you, Mr. Speaker. One of the first things that impressed me most about Environment when I became minister was the involvement of organizations like the WPACs, the watershed planning and advisory councils, grassroots organizations that are committed to work to resolve issues, to plan together at the local level. Our department provided last year, as an example, \$1.4 million in direct grants to these councils. Those grants are used to establish watershed councils, to pay for research studies on watershed health, and to work on watershed management plans. I can assure the hon. member that we value their efforts and will continue to do so well into the future. I'd like to also add that we also provide administrative staff to all of these councils to assist them in their work.

Mr. Johnson: Mr. Speaker, the continued involvement and participation of all partners, including First Nations, is vital as watershed planning and advisory councils work towards a full understanding of the ecological, social, and economic needs of Alberta's watersheds. My first supplemental question is again to the Minister of Environment. In carrying out their work, are watershed planning and advisory councils permitted to conduct consultations with First Nations on behalf of the government of Alberta?

Mr. Renner: Well, Mr. Speaker, I want to point out that we encourage these local advisory councils to engage all stakeholders, and that certainly does include First Nations. I think it's important that First Nations be involved in these advisory councils whenever they possibly can. But I need to point out that consultation with government is a separate process from the watershed councils. So we encourage water councils to work with First Nations and First Nations to do the same, but that does not replace the need for the government to consult with First Nations when it is appropriate to do so.

Mr. Johnson: Mr. Speaker, my second supplemental question is to the same minister. Can the minister advise members of the House and all Albertans what role watershed planning and advisory councils such as the Battle River Watershed Alliance play in the province's Water for Life strategy?

Mr. Renner: Mr. Speaker, these councils are critical in the implementation of the Water for Life strategy. Watershed councils build partnerships within the watershed, set regional outcomes, develop watershed management plans to achieve shared outcomes. For example, I know that the Battle River Watershed Alliance in this member's constituency is working on a water management plan for their watershed and is planning to raise awareness of water issues, including water conservation and water quality. This diverse group of people is a great example of the power of committed Albertans in their own communities taking action to learn about and improve water conditions in their own watershed.

Mountain Pine Beetle Control

Mr. Bonko: This week the Minister of Sustainable Resource Development stated, "There's nothing worse for the environment [or] forests than forest fires." He claimed that every schoolchild knew this. Perhaps the minister needs to go back to school for that. Hamish Kimmins, who is a professor of forestry ecology at UBC, writes that fire is a natural component of the forest ecosystem and stated that the northern boreal forests owe their character and in some cases their entire existence to wildfires that frequently happen there. Parks Canada and the Canadian Forest Service agree. My questions are to the Minister of Sustainable Resource Development. Is the minister suggesting that these experts are wrong and fires are not a beneficial part of the natural forest cycle?

The Speaker: If that question can fit into government policy, proceed.

Dr. Morton: Thank you, Mr. Speaker, although it does sound like another firewall question. All forestry experts know that fire does contribute to the opening of coniferous seedlings, and there's a natural reforestation process that happens that way. Of course I know that; our forest managers know that. When you have the eastern slopes in the situation they are now, with the lack of age distribution and older forest and now the pine beetle on top of that, you have the potential for forest fires on an unimaginable scope. The question is: does the hon. member opposite want to, quote, let nature take its course and let the whole thing burn, or do we have responsible logging . . .

Mr. Bonko: It's not only experts in academia who disagree with the minister on this matter. His own ministry seems to have a far better understanding than him. For example, from the FireSmart section of the SRD website we also have listed the positive impacts of forest fires as well as the Canadian wildland fire service strategy declaration signed by every single member of the provincial forestry ministry, including the previous minister. It says that using natural and prescribed fire can in fact enhance the forest's ecosystem. With his outburst the other day, the minister was not only going against science but also dismissing his ministry's knowledge.

The Speaker: Again, if it has anything to do with government policy, proceed.

Dr. Morton: Thank you, Mr. Speaker. Again, to repeat the obvious: we do under certain circumstances use controlled burns to manage the forest. But I suggest that the member go down to the Crowsnest Pass and talk to the citizens that live in the Crowsnest Pass, towns like Blairmore that experienced what it was like in 2004 with the Lost Creek fire and how it almost burned those communities down. Then let him stand up in here and say: just let nature take its course and burn down those communities.

Mr. Bonko: Mr. Speaker, there's such a thing as controlled burns as well. Perhaps the member is not aware of that. Parks Canada is using fire to change the base of the forest naturally, removing old and vulnerable pine. Has the minister reconsidered his uninformed dismissal of this natural approach to tackling the pine beetle?

The Speaker: Once again, proceed if you wish.

Dr. Morton: Mr. Speaker, if the hon. member opposite did his homework, he would learn that, in fact, Parks Canada is working

with the officers of Sustainable Resource Development, forest management branch, on this burn on the edge of Kananaskis and Banff national park. Of course we know this.

The Speaker: The hon. Member for Calgary-Foothills, followed by the hon. Member for Edmonton-Glenora.

Association for the Rehabilitation of the Brain Injured

Mr. Webber: Thank you, Mr. Speaker. It is my understanding that as a result of the Calgary health region's new brain injury service model and funding policy changes, the Association for the Rehabilitation of the Brain Injured, or ARBI, will be losing their core funding from the health region. I am very concerned about this situation as the withdrawal of the core funding to ARBI will impact this unique rehabilitation program's financial stability and future. So my question is to the Minister of Health and Wellness. Why did the Calgary health region discontinue funding to the Association for the Rehabilitation of the Brain Injured?

The Speaker: The hon. Minister of Health and Wellness.

Mr. Hancock: Well, thank you, Mr. Speaker. The Calgary health region until last year provided about 26 per cent of ARBI's \$1 million annual budget, a little over \$400,000. As with any contract over \$100,000 in the public sector they're required on renewal to go out with a request for proposal of a public tendering process of the contract. They did that, and proposals were received, including the one from ARBI. They were reviewed by a committee, I understand, made up of brain injury clinicians and financial representatives and others, which recommended, actually, that the contract be awarded to a different entity whose proposal in their view ranked higher than that put in by ARBI. So the contract was moved to the new entity.

In September 2006 ARBI was given notice that the CHR would be giving them an additional six months of funding to mitigate the impact of the transfer and to assist with the transition, and I'm also given to understand that they offered one or two pilot projects that ARBI might participate in. The Minister of Seniors and Community . . .

The Speaker: We'll probably get it in the next answer.
The hon. member.

Mr. Webber: Mr. Speaker, thank you for my second supplemental question. I'll go on to my third. Can the minister provide any indication of how the province will ensure the provision of adequate support services for Albertans living with brain injuries in the future?

2:20

The Speaker: The hon. minister.

Mr. Melchin: Thank you, Mr. Speaker. I would like to answer the next part of that question that was already anticipated so wisely by the Speaker. The Minister of Health and Wellness and I met with the Association for the Rehabilitation of the Brain Injured just this past Monday. They said that their contract was retendered by the Calgary health region. My department also has a contract with the same association, an \$85,000 contract to fund a community integration program. It's working very successfully with our department. We actually also have undertaken that we will work with them to see if there are other services that they might provide. This is all about

caring for those that have brain injury. We want to ensure that we have the best services available. This is an association that's done some great work, and we'll ensure that that's available.

The Speaker: The hon. member.

Mr. Webber: Mr. Speaker, that's it for me.

The Speaker: Today, hon. members, we basically had 88 questions.

Tabling Returns and Reports (reversion)

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

Ms Blakeman: Thank you very much, Mr. Speaker. Three tablings today. The first is from a constituent, Robert Halldorson, who is very dismayed by the lack of any kind of rent guidelines or controls. He notes that he makes \$14 an hour, double the minimum wage, but he's already spending more than 30 per cent of his income on rent, and he would be joining the increasing number of homeless people if rents go to \$1,600 a month.

The second tabling is from a well-known and well-loved constituent, John Zyp, who is writing of some of his experiences in a recent hospital stay, which he describes as utter communication chaos. He describes how his file was lost, surgery dates were changed, and he wasn't notified. He was assigned a case manager who then went on vacation, et cetera. There's quite a long list of things.

The third is from Clyde Freeman from Calgary, who is writing about the anticipated changes to the Mental Health Act. The biggest concern: he believes it would be a human rights violation to involuntarily hospitalize someone who was unable to pay for psychiatric drugs and wants to ensure that people have access to treatment in their communities before we remove them from their communities to receive treatment.

Thank you.

The Speaker: Do we have a long list of tablings today? We're going to have a time factor this afternoon, so let's go with brevity, please.

The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. I would like to table today a copy of an e-mail that was sent on Monday, April 16. It is regarding the Standing Committee on Public Accounts. This e-mail is to confirm that Capital health will be pleased to meet with the Standing Committee on Public Accounts on September 12 this year.

Thank you.

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

Dr. Swann: Thank you, Mr. Speaker. I have the appropriate number of copies of a letter from Mr. Joe Anglin, demanding greater Energy and Utilities Board accountability and democratic process in public hearings.

Thank you.

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

Mr. Elsalhy: Thank you, Mr. Speaker. I have one tabling today from two members of the Chen family in Wedgewood urging the government to work with the city of Edmonton to ensure that the traffic noise from the Edmonton ring road near their neighbourhood

is evaluated immediately and repeated in six months and that if noise levels are found to be exceeding acceptable levels, noise attenuation and reduction measures should be implemented.

Thank you.

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

Mr. Backs: Thank you, Mr. Speaker. I'm rising to table the appropriate number of copies of a letter from a number of Albertans asking this Assembly to support that the accused killer of Joshua John Hunt be tried and sentenced as an adult.

head: **Tablings to the Clerk**

The Clerk: I wish to advise the House that the following documents were deposited with the office of the Clerk. On behalf of the hon. Mrs. Tarchuk, Minister of Children's Services, pursuant to the Social Care Facilities Review Committee Act the Social Care Facilities Review Committee annual report 2005-2006.

head: **Projected Government Business**

The Speaker: The Official Opposition House Leader.

Ms Blakeman: Thank you very much, Mr. Speaker. I'd like to inquire of the Government House Leader if he could lay out the projected government business for the week we return, which would be commencing on Monday, April 30.

Thank you.

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. For the week that we return after the constituency week, which follows today, of course, on Monday, April 30, is private members' business.

On Tuesday, May 1, under Orders of the Day government motions with respect to Committee of Supply and the Budget Address motions will be on the table, and then subsequent to that, other government business.

Now, on Wednesday and Thursday, May 2 and 3, members will be aware that under the Standing Orders we would be contemplating going into Committee of Supply. Pursuant to Standing Order 59.02(3) a schedule of Committee of Supply will be tabled, probably, on the Tuesday. So the day before going into Committee of Supply, the schedule will be tabled. But we anticipate that that schedule will include on Wednesday, May 2, the first of the rotation in supply. We anticipate the opposition calling the Department of Health and Wellness. On the second day we anticipate the opposition calling the Department of Energy and the Department of Children's Services. Of course, in each case, should time permit, other government business as per the Order Paper.

Privilege Reflections on a Member

The Speaker: Hon. members, yesterday there was an exchange in the House which led to a question of privilege, and there was some discussion with respect to that. I'm prepared to deal with this matter today. Considerable time was spent last evening and earlier today in responding to the question.

Yesterday the Minister of Finance raised a purported question of privilege in response to statements made by the leader of the third party, the Member for Edmonton-Highlands-Norwood. Questions of privilege are very serious matters and should arise infrequently. This is a serious matter. As it is, the chair will give it the attention it deserves.

The basis for the question of privilege is found at page 638 of *Alberta Hansard* for yesterday, April 18, 2007. In the preamble to his main question the leader of the third party alleged that the Minister of Finance "has failed to disclose his campaign donations for his PC leadership bid and has broken his own deadlines for doing so." At that point the Minister of Finance indicated that he wished to raise a question of privilege. Undeterred, the leader of the third party engaged in some unparliamentary behaviour when he said, "Bring it on, Mr. Speaker. Bring it on." This attitude does absolutely nothing but lower the respect and dignity of this Assembly.

The leader then went on in the remainder of his 45-second allotment to make another allegation against the minister when he said, "Worse, the minister has continued to fund raise even while preparing tomorrow's provincial budget." His question to the Premier was: "Why does the Premier think it is acceptable for a Finance minister to be seeking financial donations from the very same corporations and individuals who may benefit from his budget?"

Before dealing with the merits of this purported question of privilege, the chair reiterates that the Minister of Finance gave oral notice of his intention to raise a question of privilege during the question and presented his arguments later in the afternoon. Under Standing Order 15(2) written notice of a question of privilege is to be provided to the Speaker "at least 2 hours before the opening of the sitting." However, under Standing Order 15(5) a member may raise a question of privilege "immediately after the words are uttered or the events occur that give rise to the question, in which case the written notice required under suborder (2) is not required." This is what occurred yesterday. Privilege is such an important issue that any delay in raising the matter may serve to deny the request. In this case there is no doubt that the issue was raised at the earliest possible opportunity.

The Speaker's role is to determine whether the matter raised constitutes a prima facie question of privilege. In this case the chair can rely on a similar question of privilege that was raised against the same member by the then Minister of Environment and is found in *Hansard* for May 28, 2001, at pages 808, 809. It is the Speaker's role to ensure that all members are allowed the greatest latitude to express themselves in line with centuries of tradition attesting to a member's freedom of speech. The fundamental right carries a corresponding duty to act responsibly consistent with the Assembly's rules and traditions.

The general rule in issues of this nature is found in Joseph Maingot's book, *Parliamentary Privilege in Canada*, the second edition, at page 254, where he states, "Language spoken during a parliamentary proceeding that impugns the integrity of Members would be unparliamentary and a breach of order contrary to the Standing Orders, but not a breach of privilege." This passage was quoted by the chair in the above-noted May 28, 2001, ruling and in a November 17, 1998, ruling on a similar issue, which is found at page 1909 of *Alberta Hansard*.

In his arguments yesterday the Minister of Finance read from page 76 of the *House of Commons Practice and Procedure*, edited by Marlow and Montpetit. The passage quoted by the minister was from a May 5, 1987, ruling by former House of Commons Speaker John Fraser. As was the case in 2001, the chair examined that ruling, which is found at pages 5765 to 5766 of the *House of Commons Debates*.

2:30

In that case allegations were made against the then minister of fitness and amateur sport, the Hon. Otto Jelinek, concerning a purported conflict of interest. Speaker Fraser found that while the

allegations were serious, they did not amount to a prima facie question of privilege as the member's ability to perform his functions was not impaired.

On that point it is important to remember that despite what the minister argued yesterday, parliamentary privilege is concerned with the rights of members in their capacity as members in their parliamentary work and not in their capacity as ministers. The chair would refer members to *Maingot's* at page 224 for an elaboration of that point.

In this case the comments raised could have given rise to a legitimate point of order. The chair does not, however, believe that this is a case that falls into that very small category of comments that would impede a member in performing his or her parliamentary duties. As done in 2001, the chair would like to draw members' attention to Speaker Fraser's 1987 ruling, where he made some very good points. One is that the absolute privilege that was extended to members for what they say in the House came about in the British House of Commons "in a different age when things said within that House would probably not be heard throughout the length and breadth of the kingdom." He then said, "Today, as a consequence of television and electronic broadcasting, anything said in this place is said on the street right across this country, and that has to be borne in mind." He also reminded members "to take the greatest care" when framing questions relating to conflicts of interest.

The chair is not unmindful as to what might lie behind these questions, which is to use innuendo to create a certain atmosphere. In some respects this is part of the process of holding the government to account or just plain politics, but as the chair has commented earlier this session, it is unseemly to cast aspersions on members without any specific allegations.

Perhaps one day the leader of the third party will be able to tell his grandchildren what the phrase, "this at least creates the perception of a potential conflict of interest" means. And when doing so, he might want to explain the meaning of these words in that phrase: "at least," "the perception," "a potential," "conflict of interest." Additionally, what does "an enormous cloud over the budget" mean, especially when these words follow "is continuing to fund raise"?

Let me remind all members that all 83 members of this Assembly – and I include the chair – fund raise, whether by selling memberships in their party, accepting donations and tickets for events such as party dinners, or accepting donations in cash or in kind for election campaigns.

Further, it is all 83 members of this Assembly who participate in the debate on the budget, advocate for causes or projects during and outside of the budget process, and finally vote on and approve the budget. It is not the Minister of Finance who presents and votes on the budget by himself. In the narrowest sense – in the narrowest sense – it could be interpreted by some that none of the 83 members of this Assembly may be able to participate in the budget process and vote on the budget estimates.

It is the chair's impression that the recently passed changes to the Standing Orders represent efforts to achieve democratic reform. At the same time and almost in a parallel track this Assembly has been uncharacteristically mired in borderline allegations and innuendo that in the chair's view do nothing to elevate the role of the Assembly with the public. The chair notes that this unfortunate development appears to correspond with the 45-second time limit for asking questions. The chair hopes that the standing committee examining the Standing Orders revisions will inquire to see if there is a correlation.

To conclude, the chair finds that there is no prima facie question of privilege. However, the chair is in no way condoning the comments that were the subject of the purported question of privilege.

The chair sincerely hopes that members reflect on these matters over the constituency week. I believe that we can all do better.

head: **Orders of the Day**
head: **Government Motions**
Policy Field Standing Committees

18. Mr. Hancock moved:

Be it resolved that the following members be appointed to the Assembly's four new standing committees:

- (1) Community Services: Mrs. Ady, chair; Mrs. Mather, deputy chair; Reverend Abbott; Mr. Backs; Mr. Flaherty; Mr. Johnson; Mr. Johnston; Mr. Lougheed; Mr. Lukaszuk; Dr. Pannu; and Mr. Shariff.
- (2) Managing Growth Pressures: Mr. Dunford, chair; Mr. Taylor, deputy chair; Mr. Doerksen; Mr. Herard; Mr. Martin; Dr. B. Miller; Mr. Prins; Mr. Rodney; Mr. Rogers; Mr. Webber; and Mr. Zwozdesky.
- (3) Resources and Environment: Mr. Ducharme, chair; Dr. Swann, deputy chair; Ms Calahasen; Mr. Eggen; Mr. Graydon; Mr. Griffiths; Mr. Hinman; Mr. Lund; Mr. R. Miller; Mr. Mitzel; and Mr. Oberle.
- (4) Government Services: Mr. Cenaiko, chair; Mr. Elsalhy, deputy chair; Mr. Amery; Dr. Brown; Mr. Coutts; Ms DeLong; Mrs. Forsyth; Mr. Marz; Mr. Mason; Ms Pastoor; and Mr. VanderBurg.

The Speaker: This is a debatable motion. The hon. Opposition House Leader.

Ms Blakeman: Thanks very much, Mr. Speaker. I'm pleased to rise in support of Government Motion 18. It's nice to have come to this point and a step closer to establishing the policy field committees and to having them populated by a number of members of the Assembly, including members from all parties.

So I speak in support of Government Motion 18 and encourage my colleagues to support the motion as well.

The Speaker: Shall I call the question?

Hon. Members: Question.

[Government Motion 18 carried]

The Speaker: Hon. members, might we very briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**
(*reversion*)

The Speaker: The hon. Member for Peace River.

Mr. Oberle: Thank you so much, Mr. Speaker, for allowing me to rise today and introduce to you and through you to all members of this Assembly a great and tireless champion of northern and rural Alberta, a constituent of the Peace River area, a councillor for Northern Sunrise county and currently vice-president of the Association of Municipal Districts and Counties. I'd ask Mrs. Carolyn Kolebaba to rise and please accept the welcome of this Assembly.

The Speaker: The hon. Member for Lesser Slave Lake.

Ms Calahasen: Thank you, Mr. Speaker. Today it's a great pleasure for me to rise to introduce to you and through you to members of this Assembly 15 wonderful students who have come from the Northern Lakes College in High Prairie, the High Prairie campus. They are accompanied by Mrs. Chris Neidig and Dr. Kam Kamnasaran. I'd ask that they all rise – they are seated in the members' gallery – and receive the warm welcome of this Assembly.

The Speaker: Hon. members, just a notice of advice that due to network contractual obligations, Access television is only able to provide coverage of the Budget Address until 4 p.m. today. Coverage will continue in the webcast of the proceedings on the Assembly website at www.assembly.ab.ca.

Now, in order to prepare the House for the Budget Address by the Minister of Finance this afternoon, the House is recessed until 3:30 this afternoon.

[The Assembly adjourned from 2:39 p.m. to 3:30 p.m.]

head: **Transmittal of Estimates**

The Speaker: The hon. President of the Treasury Board.

Mr. Snelgrove: Thank you, Mr. Speaker. I have received certain messages from His Honour the Honourable the Lieutenant Governor, which I now transmit to you.

The Sergeant-at-Arms: Order!

The Speaker: The Lieutenant Governor transmits estimates of certain sums required by the offices of the Legislative Assembly for the service of the province for the fiscal year ending March 31, 2008, and recommends the same to the Legislative Assembly.

The Lieutenant Governor transmits estimates of certain sums required by the government for the service of the province for the fiscal year ending March 31, 2008, and recommends the same to the Legislative Assembly.

Please be seated.

head: **Government Motions**
(continued)

The Speaker: The hon. President of the Treasury Board.

Mr. Snelgrove: Thank you, Mr. Speaker. Prior to moving Government Motion 16, I wish to table the 2007-08 offices of the Legislative Assembly estimates as well as the 2007-2008 government estimates.

In addition to these estimates, the Government Accountability Act requires that the government at the same time table the government's business plan and consolidated fiscal and capital plans. The hon. Premier will table the government's business plan, and the hon. Minister of Finance will table the consolidated fiscal and capital plans.

16. Mr. Snelgrove moved:

Be it resolved that the messages from His Honour the Honourable the Lieutenant Governor, the 2007-08 offices of the Legislative Assembly estimates, the 2007-08 government estimates, and all matters connected therewith be referred to Committee of Supply.

The Speaker: This is a debatable motion, but shall I call the question?

Hon. Members: Question.

[Government Motion 16 carried]

The Speaker: The hon. the Premier.

Mr. Stelmach: Thank you, Mr. Speaker. I wish to table the government of Alberta strategic business plan as required under section 7 of the Government Accountability Act. The strategic business plan sets out the government's vision and long-term strategic plan. It also includes the government's three-year business plan, which outlines the goals, strategies, and measures necessary to track results over the next three years. This plan recognizes the challenges that our province faces due to unprecedented growth and our focus on achieving results for today and the future. It captures our five priorities, which are to govern with integrity and transparency, manage growth pressures, improve Albertans' quality of life, build a stronger Alberta, and provide safe and secure communities.

Also being tabled for the information of the Legislative Assembly are business plans for each ministry, which must be made public under section 13 of the same act.

Dr. Oberg: Mr. Speaker, prior to moving Government Motion 17, I wish to table the government's fiscal and capital plans for Budget 2007. The consolidated fiscal plan is required under section 4 of the Government Accountability Act, and the consolidated capital plan is required under section 7.1 of the same act.

Budget Address

17. Dr. Oberg moved:

Be it resolved that the Assembly approve in general the business plans and fiscal policies of the government.

Dr. Oberg: Mr. Speaker, Clem Gerwing, a son of a homesteader, was born in Saskatchewan after World War I. He served as a fighter pilot in World War II, began farming, and started a family. He then moved his wife and children to Alberta in 1963. Five years later he bought a business that sold western boots. Today, well into his 80s, Clem is still active in the business, and his son Tim is the president. The Alberta Boot Company has grown into an award-winning enterprise that supplies boots around the world. Today I am very proud to wear a pair of Mr. Gerwing's boots for my first budget as Alberta's Finance minister. [some applause] I would do higher, but I can't.

Mr. Speaker, this is our government's budget for 2007.

Last year saw unprecedented growth in Alberta. There are 100,000 new Albertans this year, with 57,000 of them coming from elsewhere in Canada. Alberta created more than one-quarter of the new jobs in the country. Unemployment was the lowest in any Canadian province in the last 30 years. Economic growth was the highest since 1993.

Our government must be in sync with this economic climate. This rampant growth presents special challenges and opportunities. Most Albertans feel positive about the quality of life here. However, we know that some people don't feel the benefits of this boom. Many worry that the good times will end in the next few years. This is why we are preparing for the future today.

Under the Premier's direction our government and this budget are focused on five priorities: governing with integrity and transparency, managing growth pressures, improving Alberta's quality of life,

building a stronger Alberta, and providing safe and secure communities. To meet these priorities in a roaring economy, we must do two things. First, we must manage our growth in the short term, and second, we must remain fiscally responsible in the outgoing years.

Mr. Speaker, the Alberta Boot Company also has prepared for the future. It succeeds because it recognizes that its competition is not across the street. It's not in another city or in another province. It is, in fact, all around the world. Like the Gerwings' business, Alberta must judge our success not only against our Canadian counterparts but also our international competitors.

This budget follows that premise. We consider global as well as domestic conditions and then look ahead and move forward. We know where we've been and where we have to go. Our mission here is clear. We will manage growth in a transparent, sustainable, and compassionate manner.

Mr. Speaker, this is Alberta's 14th consecutive balanced budget. We estimate our total revenue to be \$35.3 billion. That's down from an unusually strong 2006. We forecast a surplus but a smaller one than in the last two years. We expect Alberta's oil and gas and income tax revenue to moderate. Thus our projected surplus is \$2.2 billion. This will drop to \$1.4 billion and \$925 million in the next two years.

We have the most volatile energy stream of any government in North America. Fluctuating commodity markets and other global factors cannot be controlled by any one government. Energy price forecasting is extremely difficult for everyone. For this year we are forecasting \$58 U.S. per barrel of oil, and \$6.75 Canadian per gigajoule of natural gas. Our forecasts are near the average of estimates by other organizations. Even so – even so – Mr. Speaker, our surplus may be \$2 billion to \$3 billion higher. That's why we are introducing a surplus allocation strategy. On the other hand, our surplus could be \$2 billion to \$3 billion lower than forecast.

Energy and taxes are very strong sources of government revenue. Another is investments, which this year will contribute 7 per cent of our income. Our largest source of investment revenue is the Alberta heritage savings trust fund. We will ensure that this fund keeps pace with inflation. This year we will retain \$284 million in the heritage fund's income in the fund itself.

3:40

Since 1976 the fund has generated \$30 billion in income. This money has funded Albertans' priority areas like health care, education, and infrastructure. Due to exceptionally strong equity markets our investments earned nearly 15 per cent last year. The fund's current market value is \$16.3 billion. Our forecasted annual return for the next three years is 8 per cent.

The heritage fund has taken advantage of high-quality investment opportunities at home as well as abroad. Its holdings in Alberta include \$700 million in public market investments and \$800 million in private equity. This includes infrastructure, real estate, private mortgages, and private debt. About 20 per cent of the fund's Canadian equity holdings and 30 per cent of its private investments are Alberta based. In total about 9 per cent of the assets are here in this province.

Family-run businesses like the Alberta Boot Company succeed by working hard, strengthening their assets, and focusing firmly on future growth. In that spirit we are taking steps to maximize the long-term value Albertans receive from their assets.

First, a new financial investment and planning commission will review the province's savings and investment funds. The commission will recommend ways to ensure that our savings are invested to maximize the long-term benefits for Albertans. Most of these assets will be administered by a new Crown corporation, the Alberta

Investment Management Corporation. This new body will administer – yes, Mr. Speaker – \$70 billion in government public-sector pensions and WCB funds. It will be an integral part of the financial services sector in this province.

Second, an independent panel of experts is reviewing our royalty and tax regimes. Public meetings will ensure that Albertans have their say. This open and transparent review aims to strike a balance. Albertans must receive a fair share from the development of their natural resources. Meanwhile, we must preserve an internationally competitive oil and gas system, which supports our continued prosperity. This review should be completed by this fall.

Our third step will involve a thorough review of the Employment Pension Plans Act. This act governs private-sector employee plans. We hope to attract and retain workers and ensure that Albertans are confident about their pension plans. Both employees and employers must be treated fairly, and we need to be competitive with other jurisdictions. Options are going to be presented later this year.

Mr. Speaker, Alberta's tax advantage is well known and will be maintained under a Stelmach government. If we had the same tax system as other provinces, Albertans and their businesses would pay up to \$4,400 more per person every year.

We also recognize that arts and culture contribute greatly to our quality of life. These sectors add enormous economic value as well. We are encouraging more support for these and other nonprofit sectors. This government values the tremendous contribution of the voluntary and charitable sectors. Mr. Speaker, combined with the federal tax measures, Albertans will now receive a 50-cent credit for every dollar donated above \$200. The charitable donations tax credit will jump from 12 and three-quarters per cent to 21 per cent this year. This measure speaks to Albertans' shared values of self-reliance and community spirit and is the highest in Canada.

Postsecondary education is something that is important to all Albertans. To that end, we are increasing the education tax credit for postsecondary students to \$600 from \$475 monthly for full-time students. For part-time students the increase is to \$180 from \$143. Mr. Speaker, this will help them or their parents with the students' cost of living.

Along with the indexing of personal tax credits to inflation and the increase to the small-business threshold from \$400,000 to \$430,000, these changes will save Albertans \$179 million this year.

In this budget we will also parallel changes in the federal income tax. This will save Albertans an additional \$40 million. Areas affected include income splitting of seniors' pensions, the lifetime capital gains exemption for small business owners and farmers, and an accelerated capital cost allowance for generating clean energy. However, Mr. Speaker, we will not automatically parallel the federal decrease to the oil sands accelerated capital cost allowance. This question will be considered by the independent panel reviewing our energy royalty system. We'll also investigate accelerating capital cost allowances further to encourage the building of environmentally sustainable energy sources, like biofuels, in Alberta.

We will also allocate more resources to enforcing both the letter and spirit of our tax laws. We want to protect law-abiding Albertans from tactics putting our overall low taxes at risk. Certain corporate tax avoidance schemes pose such a risk. Without our intervention, Mr. Speaker, known schemes would cost Alberta \$200 million a year in lost taxes. The Ontario shuffle involving interest expenses and the Quebec truffle – yes, those are the names – involving shifting income are two examples of tax avoidance in our global economy. To address this concern, we'll add auditors, increase co-operation with other jurisdictions, as well as amend legislation.

With this budget there's one area where Alberta's tax rate will be the highest in any province, and rightly so. While Alberta's

economy has raised incomes, tobacco rates have stayed the same. The disincentive to smoke is not as strong as it once was. This is especially so for young people, who are more sensitive to price changes. That's why we are raising tobacco taxes by 16 per cent. That's \$5 on a carton of cigarettes. Our aim is to help discourage smoking. Mr. Speaker, smoking kills. This change takes effect at midnight tonight.

On the expense side our total estimated spending this year is \$33.1 billion. Included are substantial increases in both capital and operating spending. This is the price of prosperity in Alberta today.

We are responding to local needs. Our annual commitment to municipalities is \$1 billion more than three years ago. [some applause] Thanks, Neil. We are committing \$600 million per year to the municipal infrastructure program. A further \$400 million comes from the new municipal sustainability initiative. This fulfillment of a commitment by our Premier addresses pressure on local infrastructure. The new long-term funding will help municipalities manage their growth in Alberta's booming economy. Funding will ramp up to \$1.4 billion by 2010-2011. That includes incentives for joint planning initiatives and funding for affordable housing.

Another \$900 million a year goes to areas like public transit, policing, and water-related projects. Our total capital and operating support to municipalities is \$1.9 billion this year. Support to municipalities has increased more than sixfold in the last four years. Mr. Speaker, I said sixfold in the last four years.

3:50

Overall, our capital plan is \$4.9 billion higher than last year. That's up by 37 per cent and almost four times the per capita average in other provinces. Under our government's three-year capital plan we will spend about \$18.2 billion in grants and investments. The plan includes \$1.3 billion to cover escalating costs of construction on approved projects.

Mr. Speaker, northern Alberta has been under particular strain. The population growth of our northerly census areas is higher than the provincial average. We are addressing these pressures. For example, in Wood Buffalo the population jumped by almost one-quarter from 2001 to 2006. Our investments of \$396 million over three years will cover priority areas, including affordable housing, health facilities, and water and waste-water treatment systems.

We are targeting \$679 million, mostly capital spending, over three years to water and waste-water management. Our goal is to ensure a safe, secure water supply, healthy aquatic ecosystems, and a sustainable economy. We will invest in planning, monitoring, and research to improve water management. Municipal waterworks systems will be enhanced. Learning more about groundwater quantity and quality in high-risk areas is also going to be a focus.

Provincial highways, bridges, and resource roads will be improved. We will pave 2,500 kilometres of highway. Mr. Speaker, as you well know, that's almost enough to get from High Level down to Waterton park and back. Some of our projects include ring roads in Calgary and Edmonton, a highway bypass at Milk River, and a new bridge over the Smoky River west of High Prairie.

Albertans will see much-needed new health facilities. The new Queen Elizabeth II hospital in Grande Prairie will serve the growing population in that area. Also addressing health needs in the province are the Edmonton Clinic and the south Calgary health campus as well as other projects such as planning for the Medicine Hat hospital renovations.

There will be 71 new or significantly modernized school projects over the next three years. This includes building schools in Fort McMurray, Cold Lake, and other centres soon to be announced. It

also includes modernizing schools like Balwin school in Edmonton and the Ian Bazalgette junior high school in Calgary. Schools in Raymond, Hythe, St. Paul, Lacombe, and other districts and divisions will also be upgraded.

In addition, Education and Advanced Education and Technology will each receive a further \$300 million in capital spending. This will be allocated towards future projects. We'll help maintain, upgrade, and build facilities for culture, wellness, recreation, and sport. This includes \$280 million over the next two years for the new major community facilities program. This provides grants supporting community public-use facilities. The nonprofit municipal and aboriginal groups operating these facilities contribute tremendously to our quality of life.

A province-wide information technology system for police, a new remand centre in Edmonton, and the opening of the new Calgary Courts Centre are major efforts towards supporting safe and secure communities.

Now, Mr. Speaker, on to the operating side of our government expenses. We will spend an estimated \$27 billion this year, up 10 per cent from last year. This will address Alberta's combined nearly 7 per cent jump in inflation and population growth in 2006. Three-quarters of our operating spending is in four areas: health, education, advanced education and technology, and assistance to Albertans.

Alberta's health care operational spending, Mr. Speaker, is \$10.8 billion. That's up from \$4.2 billion 10 years ago, and it's the highest per capita in the nation. Today for the first time operational spending for health will consume 40 per cent of our budget. Last year Albertans received on average for health care almost \$10,000 for each baby less than one year old, almost \$2,100 for each Albertan aged 15 to 44, and \$22,500 for every senior over 85. Our spending increases support regional health authorities, physician services, and assistance with rising prescription drug costs. These increases also support services like public health labs, vaccinations, and ambulances.

This year's increase in education spending supports several efforts, Mr. Speaker. Funding for our small class size initiative is increased by nearly 22 per cent. This allows schools to retain the 2,500 teachers hired over the last three years. Our 9 per cent boost in special-needs student funding will serve 14,700 kindergarten children and 16,200 students in grades 1 to 12 with disabilities. Other spending increases support teachers' professional development, teachers' pensions, accredited private schools, early learning opportunities, and projects to improve schools, the AISI projects.

Advanced education and technology are also vital to building a stronger Alberta. As of this fall, Mr. Speaker, tuition fee increases will be limited to Alberta's inflation rate. On average this will save two-year diploma students \$1,600 and four-year undergraduate students \$3,800. Our assistance to students goes up by 37 per cent. This supports \$95 million in scholarships, bursaries, and grants, \$20 million in RESP programs, \$116 million in student loans, and \$71 million in debt relief. We're also spending \$559 million over the next three years on research, innovation, and commercializing technology. That's an increase of 16 per cent. It supports energy, agriculture, forestry, life sciences, information and communications technology, as well as the new science of nanotechnology.

We must, though, never forget the most vulnerable people in our society. Children, seniors, and Albertans in need of assistance will benefit from spending increases this year. Support for child care and intervention goes up by a combined \$37 million to \$491 million. Funding towards preventing family violence and bullying rises 11 per cent across our partnering ministries, to \$46 million. We are increasing supports to the Alberta seniors' benefits and to dental and optical programs. A 15 per cent increase to lodge assistance programs funds 250 more units. Funding to our assured income for

the severely handicapped program increases by 18 per cent, to \$644 million. Further help also goes to income support clients and to Albertans with developmental disabilities. Over the longer term we are committed to looking at imaginative and cost-efficient ways to assist an aging population. Mr. Speaker, under the Premier's leadership we will examine options in creating an Alberta pension plan. Our goal is to improve benefits available to all Albertans.

4:00

Beyond our main spending areas we're launching several other efforts in service of our government's five priorities. Each effort aims to help us manage and sustain our growth and our province. We will develop an immigration strategy to encourage more skilled workers to come to Alberta. A new workforce strategy will be developed to help retain and recruit workers and increase productivity in the agricultural industry. Funds will go towards detecting and controlling mountain pine beetle infestations in our forests. We will boost our prosecution team dedicated to family violence cases and our court services staff. Our contribution towards First Nations policing will increase. More highway sheriffs will be hired to target aggressive drivers and speeders who endanger other motorists.

Mr. Speaker, these are just some of the efforts funded by our government this year. We are addressing the pressures of growth and the price of prosperity in Alberta. Family businesses like those managed by our Alberta boot makers, the Gerwings, need value from their staff and suppliers. That means watching how much they spend and on what and when. This helps them provide the best possible products and service for their ultimate boss: their customers.

We, too, need to manage our expenses. We just can't keep raising our spending at these levels even if strong energy prices and economic growth continue. We must never return to the shortfall scenarios that plagued Alberta in the past. The facts are clear. Hiking our operating spending by 10 per cent, as we're doing this year, can't continue. If we did that, we would have a deficit, and government deficits are illegal in Alberta and will continue to be under a Stelmach government.

In the words of the mildly famous Wainwright bard: we can't get where we're going if we forget where we've been. Albertans haven't forgotten the downturn of the 1980s or the government deficits that followed. We must reduce our spending increases to match Alberta's economic growth. My colleagues and I are committed to holding that line. This requires more disciplined fiscal management. When you make a cowboy boot, you start with the absolute best pieces of leather that you can get. Our approach with this budget is similar. As we work towards managing our growth, we strive for best practices at every step.

We are starting today with four key steps. First, our Treasury Board ministry will review existing government programs. It will identify ways to achieve program goals more efficiently. It will scrutinize government spending to ensure that Albertans receive the best value for their investment. It will also better co-ordinate our planned capital and operational spending. In addition, Treasury Board will explore options towards achieving more cost certainty in capital construction.

Second, there are no plans, zero plans, for in-year increases in operating spending. Potential emergencies like wildfires, floods, and pine beetles will be addressed through our sustainability fund.

Third, we will establish a formula to govern any in-year surpluses beyond our budgeted forecasts. One-third of any budgeted surplus will go to savings and investments such as the heritage fund. The remaining two-thirds will go to capital spending, and of that two-thirds at least half will go to capital maintenance rather than new projects. It's absolutely critical to keep our capital assets in good shape.

Fourth, we will look at ways to address the unfunded liability of public-sector pension plans. This includes teachers' pension plans. One possibility for savings is refinancing the government's portion of the liability at a lower rate. Mr. Speaker, this simple step would save Albertans \$60 million a year and a total of \$1.6 billion over the term of the liability. This could be extended to the teachers' portion of that liability, saving them money as well. We will discuss other options for pension liabilities also.

In summary, this budget is about managing our growth today as well as ensuring our economic future for tomorrow. We have increased our operational and capital spending to deal with the incredible growth that we are experiencing. Mr. Speaker, this is the price of prosperity. We have also committed to an expenditure management plan and a surplus allocation formula to ensure that taxpayers' dollars are being spent wisely. Lastly, our promise to look at options for an Alberta pension plan aims to ensure prosperity and sustainability for years to come.

Mr. Speaker, the Alberta Boot Company has grown and succeeded in the face of competition from around the world. The Gerwings see challenges as opportunity, and as a government we understand that. As we look to the future, we recognize the great challenges before us. We see them as great opportunities. Our government will build on these opportunities to benefit all Albertans. We will do this with the utmost respect: respect for this Assembly, respect for the land, and respect for the people we are so privileged to serve.

Mr. Speaker, this is the Stelmach government's economic plan for 2007. Thank you. [applause]

The Speaker: The hon. Opposition House Leader.

Ms Blakeman: Thank you very much, Mr. Speaker. On behalf of the Leader of the Official Opposition, the Member for Edmonton-Riverview, I beg leave to adjourn debate.

[Motion to adjourn debate carried]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. In light of the fact that we probably need a week to reflect on the messages that were delivered today, I would move that we adjourn to Monday, April 30, at 1 p.m.

[Motion carried; at 4:09 p.m. the Assembly adjourned to Monday, April 30, at 1 p.m.]