

Legislative Assembly of Alberta

Title: Wednesday, April 5, 2006

8:00 p.m.

Date: 06/04/05

head: **Committee of Supply**

[Mr. Marz in the chair]

The Chair: Good evening. I'd like to call the committee to order.

head: **Main Estimates 2006-07**

Executive Council

Mr. Klein: Mr. Chairman, I move the estimates for Executive Council.

Mr. Chairman and hon. members, I'm pleased to appear before this committee to discuss the 2006 to 2009 Executive Council budget estimates and, of course, the business plan. Programs under Executive Council include the office of the Premier, Executive Council, corporate internal audit services, and the Public Affairs Bureau. My remarks this evening will include a brief fiscal overview for 2006-2007, and then I'll provide some details on upcoming initiatives contained in the business plan.

Executive Council spending for 2006-2007 is forecast at \$25.3 million, an increase of approximately \$3 million over the 2005-2006 budget. The increase covers three areas: \$1.4 million for salary adjustments and increases to pension plan contributions, and I would point out that all ministries across government are seeing the same increases; \$1.4 million to implement recommendations of the Public Affairs Bureau review, which I will explain later, which includes adding a small number of FTEs; and some \$200,000 for Executive Council to cover additional costs due to the expanded strategic planning work of the policy co-ordination office and for additional support to the Lieutenant Governor's office.

Mr. Chairman, I'd like to offer an overview of Executive Council program areas and goals as outlined in the business plan. I'll begin with a brief summary of programs under Executive Council. They include administrative support to cabinet and cabinet committees, my offices here in the Legislature and in McDougall Centre in Calgary, the protocol office, administrative support for the office of the Lieutenant Governor, the Alberta Order of Excellence Council, and the deputy minister's office, which includes support for policy co-ordination as well as business and strategic long-term planning for the government as a whole.

A key activity for Executive Council is co-ordinating the government's long-term strategic plan for the province and the government's three-year business plan. As I touched on earlier, part of the \$200,000 in this year's budget for Executive Council will support the expanded role of the policy co-ordination office in co-ordinating efforts on those plans.

Now, Executive Council works to ensure that individual ministry strategies are co-ordinated and that all ministries are working collaboratively on government's priorities. For example, the policy co-ordination office supports government's work to achieve the four main strategic priorities. Those four priorities include building Alberta's infrastructure, building and educating Alberta's workforce, using and respecting the land, and of course improving the health care system. The office also works to identify and assess strategic long-term issues requiring a policy review, improve overall policy co-ordination across government, facilitate collaboration amongst ministries to achieve more integrated policy, and facilitate and monitor work on priority cross-ministry initiatives and related strategies. Government and Executive Council also work with

private, public, and not-for-profit sector partners and individual Albertans to set and co-ordinate those strategic priorities for the long term.

Mr. Chairman, I'd like to now touch briefly on the protocol office and the office of the Lieutenant Governor. As members of the committee will know, the protocol office is responsible for provincial government ceremonial events and visits from international dignitaries, senior dignitaries. This year protocol staff will co-ordinate numerous visits of international dignitaries to Alberta, including heads of state, foreign ministers, ambassadors, and consuls-general. The protocol office is also busy co-ordinating the May 2006 visit of Canada's new Governor General, Her Excellency the Right Hon. Michaëlle Jean.

In addition to co-ordinating these visits, the office also provides important protocol advice to government offices, community groups, the private sector, and individual Albertans who may have questions about protocol requirements for special events. One provincial government ceremonial event the protocol office is responsible for is the Speech from the Throne, delivered by Alberta's Lieutenant Governor, the Hon. Normie Kwong. Mr. Chairman, I'd like to point out the exceptional role the Lieutenant Governor has played as the Queen's representative in Alberta. His first year as Lieutenant Governor was an incredibly important and busy one with the royal visit and hundreds of centennial celebrations across the province, and I think he did a wonderful job. The Lieutenant Governor keeps a very active public schedule, and a small increase has been budgeted to provide him with communications and writing support for his official duties around the province.

Mr. Chairman, I'd like to now turn to another part of Executive Council, and that is corporate internal audit services. This past fiscal year included three important changes for the office of corporate internal audit services, with more changes planned for the coming year. The first change already in place is the appointment of a new chief internal auditor, Heather Zomar, who brings with her an extensive background in risk management. One of Heather's first objectives on the job was to address questions around the identity and the role of the internal audit within government, which brings me to the second important change. Early on Heather determined that one of the best ways to clarify the role her office plays in government was to change its name.

The new name, corporate internal audit services, was chosen to clearly differentiate between the three separate audit functions that take place in government. We all know about the office of the Auditor General, the department's specific auditing services, and, of course, corporate internal audit services. These three audit functions have been a source of confusion, not the least of which is a source of confusion for me. Most importantly, however, the new name was chosen to bring together two important aspects of the office: corporate, to signify that internal audit provides assistance to government as a whole; and services, to illustrate the servicelike nature of internal audit. The goal of this office is to advise departments on the types of systems and controls that should be in place so that taxpayers get maximum value for dollars spent while helping government managers and employees be more productive and effective in their jobs.

Effective use of taxpayers' dollars brings me to the third change within corporate internal audit services, and that is the transfer of some audit staff back to specific ministries. By nature ministries that provide front-line services and income supports to Albertans, ministries that have small amounts of money that are continuously moving in and out of the departments, require more internal auditing services. To accommodate this need and to ensure the most effective use of taxpayers' dollars, some audit staff have been moved

back to certain ministries such as Seniors and Community Supports, which administers the persons with developmental disabilities program. Additional upcoming changes for corporate internal audit services include a stronger focus on risk-based auditing. This is an emergency and strategic audit methodology that will allow the office to focus on high-risk systems. Heather and her staff will be using a best practices review to help them develop a made-in-Alberta audit program designed to provide the most efficient and effective assistance for managers and employees.

8:10

Mr. Chairman, I'd like to now touch on the business plan strategies for the Public Affairs Bureau. The bureau supports all eight of the government's three-year business plan priorities, and while the bureau's work is diverse, each communications program across government has a common goal of making sure that Albertans receive the information they need quickly and effectively. Recently the bureau underwent an internal review to make sure that that goal was being accomplished in the best possible way. The review was conducted by an MLA committee, or a committee headed by an MLA, the hon. Member for Calgary-West, and recommendations were presented to caucus last September.

The review identified the following overarching goals: to strengthen strategic communications, to enhance internal communications, and to better co-ordinate corporate services like the government of Alberta home page, advertising, and research. Of course, the driving force behind the review and the goal of the Public Affairs Bureau remains providing Albertans with high-quality, co-ordinated, and cost-effective communications.

As I mentioned earlier, this year's budget shows a change in expenses for the Public Affairs Bureau to support that goal. The additional dollars will help ensure that Albertans continue to receive high quality and co-ordinated communications from government. Albertans have told us that they want more communication about the government programs and services that matter the most to them. That budget increase will help make that happen.

In addition, the new FTEs in the budget will focus on the third goal of the review, and that is better co-ordination of corporate services like the government of Alberta home page, advertising, and research. I would like to point out, Mr. Chairman, that the budget increase is to allow for better co-ordination of advertising that delivers important information to Albertans.

This year advertising campaigns co-ordinated by the bureau and funded by ministries across government will inform Albertans about a range of topics from social campaigns on crystal meth awareness and family violence prevention to information campaigns and programs such as farm safety and the Alberta lottery fund. Government has a duty to tell Albertans about its decisions and policies and about upcoming initiatives, so the additional dollars will help us to better co-ordinate in the quick and efficient delivery of information to Albertans and also allow the bureau to provide more strategic and targeted communications that address Albertans' priorities.

In an effort to strengthen the bureau's strategic communications, the business plan organizes upcoming communications activities into five strategic priority areas. The first strategic priority is to ensure that Albertans receive ongoing, effective, and meaningful information about government's long-term plans. Mr. Chairman, as I said before, Albertans have told us that they want more communication about the government programs and services that matter the most to them. That's why the plan includes increased co-ordination of information about key government programs and public opinion research to ensure that Albertans are receiving the information they require.

The bureau's staff in all ministries of government have a unique ability to not only communicate with Albertans but also to understand Albertans' perspectives on a large number of government programs. This allows government to incorporate those perspectives into our long-term plans and in turn communicate those plans back to Albertans. This is an important example of the bureau's role in two-way communications with Albertans.

The second strategic priority, communicating to Albertans about how government will manage the province's growth, is another key focus of the bureau's business plan. Mr. Chairman, by growth I'm referring to Alberta's booming economy, growing population and, of course, the challenges and opportunities that that growth represents. So upcoming plans to communicate about growth include informing Albertans on ways that government is improving the province's infrastructure and transportation systems, the creation of effective traffic safety programs to crack down on aggressive and careless drivers, and the development of an Alberta energy strategy to make Alberta a leader in the global market and to ensure the best return to Albertans as resource owners. The strategy also involves giving Albertans continuous updates on our province's fiscal situation.

The third strategic communications priority is building and educating tomorrow's workforce. Mr. Chairman, this priority includes investing in the people of Alberta and communicating to them the opportunities available to invest in themselves and their future. Bureau staff assigned to ministries across government will assist with a number of varied communication initiatives that fall under this priority. What they all have in common is a focus on training and educating Albertans, attracting and retaining skilled workers, and ultimately addressing Alberta's labour shortages.

Mr. Chairman, I'd like to turn now to the bureau's fourth priority, and that is creating a dialogue on land use and the environment. This area of the plan involves continued communication with Albertans on our province's resource and environmental management, greenhouse gas reduction, and the Water for Life strategy. Albertans' quality of life depends on the wise management of our provincial resources, especially Alberta's water supply. Related communication initiatives will focus on enhancement to municipal water and waste-water treatment facilities, reducing the risk of liabilities from flooding, and testing and protecting Alberta's water supply. The bureau will also support government's plan to explore the use of surplus revenue to create a lasting legacy for the environment.

The bureau's fifth strategic priority is emergency communications. It is obviously my hope that a serious public emergency never occurs. However, the government has a fundamental obligation to be prepared should one occur, and detailed and co-ordinated emergency communications is an important part of that preparedness. Mr. Chairman, I can tell members that planning for emergency situations, such as pandemic flu, environmental incidents, and public security threats, is a top priority for government and for the bureau.

I'd like to now turn to the bureau's second core business and goal, which is making sure that Albertans have quick and easy access to government information. For many years the Service Alberta call centre and Alberta Queen's Printer served as front-line service points within the bureau. Members will note, however, that these areas are not mentioned in this year's business plan. As a result of the internal bureau review, the Service Alberta call centre and the Queen's Printer have been transferred to other ministries as of April 1.

Government Services already oversees the Service Alberta website and over-the-counter elements. It makes sense for the full program to function under that ministry. As a central service the Queen's Printer has moved to Restructuring and Government

Efficiency, RAGE. Both services were a valuable part of the bureau, and I am confident that they will continue to be a valuable part of government. Of course, the bureau will continue to ensure an efficient flow of information to Service Alberta staff who deal with public inquiries on key government programs and announcements.

The bureau will also maintain other important services for Albertans to gain quick access to government information, and the bureau will continue to ensure that two-way communications vehicles are timely and efficient so that they provide Albertans with the best means of accessing government information.

Mr. Chairman, that concludes my introductory comments. I welcome any member of the committee to ask any questions they may have about the 2006-2009 business plan and, of course, the estimates for this fiscal year.

Thank you.

The Chair: Before we proceed, may we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

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

Mr. Lukaszuk: Mr. Chairman, thank you very much. Following this exhaustive introduction of estimates, it's my pleasure to introduce some of my favourite constituents from the community of Lorelei Beaumaris and, in particular, representing the Lorelei Pathfinders and Guides. Today with the Pathfinders and Guides are some leaders: Dawna Shirley, Angela Stringovits, Angie Amer, Jan Sutherland – and Jan is also the president of the Lorelei Beaumaris community league and a tireless worker in the community – John Dugdale, Elizabeth Story-Tiedemann, and Todd Dutchak. I would like them all to rise and receive the traditional warm welcome of our Legislative Assembly.

Thank you.

head: 8:20 **Main Estimates 2006-07**

Executive Council (continued)

The Chair: The hon. Leader of the Official Opposition.

Dr. Taft: Thank you, Mr. Chairman. I appreciated the extensive comments from the Premier in introducing his budget for Executive Council. I think it's worth noting that this is, presumably, his last budget unless he pulls a sort of Pierre Trudeau and calls a snap election or something. I don't know. Anyways, I'm honoured to be here for this discussion.

I think it's worth setting out a contrasting sense of what Executive Council might be like and then comparing that to the budget. I couldn't help noticing today that Executive Council seems about to expand by another member in the cabinet, and I'm concerned, of course, about the growing size, the growing number of cabinet ministers. I think it will be at 24 now. It's a trend that I would like to see reversed and sent back, perhaps closer to 17 or so, when this government first came to power.

I'm also and have been for many years an attentive student of the Public Affairs Bureau, which I have described historically as kind of a secret weapon for this government and a very effective one. I recall the time when this Premier first took office and the changes that were made to bring the Public Affairs Bureau into reporting directly to the Premier's office. One of the effects of that was to

politicize the Public Affairs Bureau in a way that it hadn't been historically, and I think that that's an unhealthy trend.

I've talked to former employees of the Public Affairs Bureau from times when other people were in the Premier's office, and they've shared with me, for example, accounts of being approached by cabinet ministers to prepare speeches and saying to the cabinet ministers, "You know, Mr. Minister, that's not the Public Affairs Bureau's job; that's the job of your political staff." Of course, that's completely changed now. The Public Affairs Bureau is a political servant of this government and, frankly, of the Premier. It provides enormous resources for the Premier's message to get out, which is fine, except it becomes very much a political message, even to the point, I'm quite confident, where staff with the Public Affairs Bureau draft questions and answers for use in question period, the infamous puffballs.

Mrs. McClellan: You're not serious.

Dr. Taft: I am serious, yes. The Deputy Premier is questioning my comments about the role of the Public Affairs Bureau. Certainly, it has been my experience in places like the Public Accounts Committee, sitting beside government officials, to watch them follow along line by line as they read off the question from a government member of that committee and then read off the answer from the Premier or other ministers. So I do know that the Public Affairs Bureau has a substantial role in those kinds of affairs.

I would like to see a return to the depoliticized version of the Public Affairs Bureau and a recognition that of course we're all politicians and we all need political communication staff but that that line needs to be drawn around those staff and separated from the public affairs agents who are working in the public service.

I'm also equally concerned, I guess, about the role of the internal audit committee, and I'll come to that in a minute. So I make those as some general comments.

I'm also concerned, of course, about the long-term growth of the spending of the Executive Council. As the Premier said, a 13 per cent increase this year, which I might note – I can't resist – is significantly higher than the increase in the department of health. I think that we need to make a serious effort at containing costs in all departments, including Executive Council, as we seem to in Health. So broad comments there.

Now, I will ask some questions of the Premier, and if he is inclined – and I think he usually is. I understand that he may not have the answers, but if you have the answers or reactions, you're welcome, of course, to make them, and I'll be very interested to hear them.

If we focus for a moment on the Public Affairs Bureau, the Premier went through four, as I recall, strategic priorities for the Public Affairs Bureau. Last year there were six. Two have been removed, and I would be curious to know why, if I've got the correct information here. One was to "ensure Albertans are aware of opportunities available to themselves and their families." The other, strategic priority 4 last year, was to "provide disadvantaged and vulnerable Albertans with information on available programs and supports." So I'm just curious, if I've got the correct information, why those changes were made.

Goal 1 this year for the Public Affairs Bureau is to "increase communications with Albertans" in priority areas, as the Premier said. I'm on page 173 of the business plan here. The goal says that Albertans "have a right to receive clear facts about the issues faced by the province so they can form their own opinions about how they want government to handle those issues." We are concerned about the approach of the Public Affairs Bureau to some government

initiatives, such as the third way, in which internal communications documents that we've obtained and have made public have spelled it out that the government's communications plan, in the government's own words, is designed to, quote, shift public expectations. In other words, the communications efforts of this government, of the Public Affairs Bureau around the third way actually have been intended to shift public expectations so that they no longer see health care as an entitlement.

I find that when I read those internal documents and I contrast it to the public goal of the Public Affairs Bureau that speaks about providing information so that Albertans can form their own opinions, I think there's a real contrast there. Are we just providing objective, open information, or are we actually wanting to change and shift public expectations? So it's a difference between communications and propaganda, I guess, Mr. Chairman.

Any comments the Premier has on those would be most appreciated.

Mr. Klein: Thank you, Mr. Chairman. First of all, in the preamble the hon. member alluded to the bureau being a political servant to the politicians. I don't see the bureau as that at all. As a matter of fact, just to set the record straight, I had to ask my communications director where the bureau was located. It's somewhere near where the Department of Environment is located. I'm not quite sure where the building is. I can tell you that except for the briefing prior to this estimates hearing, I had no communications whatsoever with the Public Affairs Bureau.

8:30

Mr. Chairman, there are five priorities, as I outlined, and one of the priorities is not there because it's already been achieved. That was the complete rewrite of the Alberta statutes, and that was a priority that was completed last year. In addition, the Queen's Printer and the Alberta Connects number have been transferred to other ministries.

The five strategic priorities are, one, to "ensure Albertans receive ongoing, effective and meaningful information about government's long-term plans." Mr. Chairman, as I said before, Albertans have told us that they want more communication about the government programs and services that matter the most to them. They want open, honest information, and that's why the plan includes increased co-ordination of information about key government programs and public opinion research, to ensure that Albertans are receiving the information they require.

Mr. Chairman, the second strategic priority is communicating to Albertans about how government will manage the province's growth. This, of course, is another key focus of the bureau's business plan, and it's extremely important that we communicate properly what we are doing to meet the challenges of that growth. As I pointed out in my speech, by growth I am referring to Alberta's booming economy and its fast-growing population and the challenges, of course, and the opportunities that that growth represents.

The third strategic communications priority is building and educating tomorrow's workforce, and this, of course, is consistent with Bill 1 last year, the Access to the Future Act. This priority includes investing in the people of Alberta and communicating the opportunities available to them to invest in themselves and their future.

The bureau's fourth strategic priority is creating a dialogue on land use and the environment: extremely important, especially as the minister now prepares a land-use strategy and the Minister of Environment works on the Water for Life strategy. This area of the plan involves continued communication with Albertans on our

province's resource and environmental management, greenhouse gas reduction, and of course, as I mentioned, the Water for Life strategy, which is extremely important. As a matter of fact, it was mentioned in the media by Dr. David Schindler, a well-respected environmentalist and an expert on the use of water.

The fifth priority is the bureau's emphasis on emergency situations, and this is absolutely necessary. You know, I saw it in action when I travelled the province reviewing the damage from floods. I saw it in action at Pine Lake when I visited the tornado site. It's obviously my hope, as I said before, that a serious public emergency never occurs. However, government does have a responsibility and a fundamental obligation to be prepared and to communicate what all emergency authorities are doing should an emergency occur.

The Chair: The hon. Leader of the Official Opposition.

Dr. Taft: Thank you, Mr. Chairman. I appreciate the comments from the Premier.

We can switch topics from my old favourite, the Public Affairs Bureau, to a new favourite, the internal audit committee and internal audit services, which the Premier briefly described in his opening comments. There are, as the Premier said, three audit functions. There are getting to be a lot of audit functions, and I can understand why he said that there's some confusion around that. I find it a bit confusing as well.

The vision of the corporate internal audit service is to "be recognized as delivering high quality internal audit services with objectivity and professionalism." That's their vision. That's great. The mission is to "provide objective and independent assurance and advisory services." Most members of the internal audit committee are, in fact, public servants, deputy ministers. The one external member of that committee is also the vice-president of finance for the PC Party, Mr. Gary Campbell.

I just have to ask: of all the people in Alberta, of all the people with expertise, why this one particular person? He may well be qualified, but he certainly isn't the only one who's qualified, and surely the government realizes that there's a tremendous appearance of conflict of interest or of an internal and unfair and even inappropriate relationship when you have the vice-president of finance of the PC Party sitting in on the internal audit committee of the government. There's a merging there, an overlap of politics and public service that I think needs to be reconsidered. In fact, I would rather just have it ended. When I read that the vision of the corporate internal audit services division is to be objective and independent and I see that kind of a relationship, it doesn't add up for me, so I really need the Premier to justify that. Frankly, again, if I were the Premier, that's the sort of relationship I would end. I'd hope this Premier will do the same thing.

There are quite a number of questions around internal audit services. Given that the office of the chief internal auditor is supposed to co-ordinate its work with the work of the Auditor General, which again the Premier referenced, and provide a basis for the Auditor General to rely on the work of the office of the chief internal auditor, it does get confusing. You've got the Auditor General and the chief internal auditor. What steps is the Premier taking? What safeguards are in place to ensure that the internal audit function of the chief internal auditor doesn't actually obstruct or in some way substitute for the more independent arm's-length work of the Auditor General? We've got the Auditor General working with the internal auditor when I'd rather the Auditor General was going straight to the department. That's a relationship that I think has a risk of becoming a control valve, an access limiter for the Auditor General.

Why does the internal audit charter say that the work of the internal auditor is to reduce the extent of external audit procedures when in fact what people want, I think, are more external audit procedures, more external arm's-length reviews of government, not less, especially not less done by a committee in which the vice-president of the PC Party sits? There is a really complicated and probably unhealthy web of relationships here.

8:40

Given the close functional relationships between the internal auditor and the Auditor General, I'm wondering if the Premier is aware of or if maybe somebody else is aware of any plans to reference the body, reference the office of the chief internal auditor in legislation in relation to the Auditor General. Perhaps there could be a formalization in legislation of the relationship so that we know what the limits and opportunities are here.

In the spirit of opening government accountability up to the public, I'm wondering if the Premier could table any recommendations, any at all, made by the internal audit committee or the chief internal auditor to deal with some of these problems. Frankly, in particular because the Premier spoke about risk and the special knowledge of the new chief internal auditor in risk management, has there been a risk assessment done of the persistent overspending across government departments year after year now for some years? Has there been a risk assessment done of the government's growing direct dependence on energy royalties? What are the risks that we face from sudden drops in the prices of oil and gas and, therefore, a direct hit to our royalties? Any risk assessments done by the office of the chief internal auditor on those areas would be much appreciated.

I've also got questions about the relationship between the office of the chief internal auditor and RAGE, Restructuring and Government Efficiency, because the office of the chief internal auditor is responsible for improving the effectiveness, efficiency, and economy of government operations, including financial and nonfinancial matters, which sounds to me like the job of the Minister for Restructuring and Government Efficiency. How do these two connect? What's going on here? Maybe we can get rid of one or the other? Maybe we can. It wouldn't be a bad suggestion, in my view. I guess that if we're going to keep that overlap, which appears to be the case at least until the next election, why is the Deputy Minister of RAGE not on the internal audit committee? So there's a suggestion for the Minister of RAGE. Maybe that deputy minister, given the department's mandate, should be sitting on the internal audit committee.

There's a whack of questions there, and I don't know if the Premier is prepared at this point to respond to those or if he'd like to come back at a later time. I do also before I sit down – and I guess that'll be perhaps my last crack at it here – just have to raise a concern about the extent of the increase in the budget for Executive Council over the last few years. I think that if we go over the last three or four years, there's something like a 60 per cent increase. The Premier's office, in particular, has had a budget increase of 67 per cent since 2001-2002, and that's a tremendous increase, 67 per cent in five years. That's unsustainable. We hear that word so often in here. That is a rate of increase that is unsustainable. So some explanation for that and some sense of how we are going to stop this rapid growth in the budget of the Premier's office would be much appreciated.

Thank you, Mr. Chairman.

The Chair: The hon. the Premier.

Mr. Klein: Thank you, Mr. Chairman. First of all, an increase related to millions of dollars doesn't relate to a 13 per cent increase on a \$10 billion budget. If my math is right, a 13 per cent increase on \$10 billion dollars is \$1.3 billion dollars. That is a huge, huge amount. So when we compare apples, we should compare apples and not mix them with grapes, oranges, grapefruits, and other things.

Mr. Chairman, relative to Gary Campbell it was news to me that he's even on the internal audit committee. But the internal audit committee chair – and I don't know who that is – appoints people to provide external viewpoints as well as specialist business, financial, or audit expertise. This is in keeping with the internal audit committee charter. I can tell you something: Mr. Campbell has his ear to the ground. He is well known in the city of Edmonton and throughout the province and is a person who keeps his ear to the ground and finds out what is going on.

I would like to point out about the honorarium – Mr. Campbell is a lawyer, so obviously he can earn a lot more than \$118 for up to four hours and \$196 for a full day. I think that he can earn a lot more than that. It is, in fact, a volunteer job.

Mr. Chairman, the hon. member asked about risk assessment on energy royalties, and what if there is a drop. That question I will take under advisement because I think that that is a reasonable question to answer. I don't know if the internal auditor or corporate services auditor has addressed that issue relative to risk management, but it indeed is a good question and deserves an answer.

On the issue of the internal audit committee it was a recommendation of the Auditor General. He recommended that we set up the internal audit unit. The Auditor General, Mr. Fred Dunn, reviews how the internal audit is carrying out its function. I'm sure that he will address the question of a political appointment, particularly as it relates to Mr. Campbell.

As I pointed out in my initial remarks, the internal audit services role is to advise management on processes and systems and controls. The purpose of the Ministry of RAGE, Restructuring and Government Efficiency, is to look at the plethora of regulations, rules, policies, written and unwritten, and legislation that fills volumes and volumes and volumes and find out what is useful and what isn't useful. So really there is a distinct difference between the function of the internal audit services role and the role of the ministry. I can tell you that relative to the internal audit services an advisory committee, called the internal audit committee, of which Mr. Campbell is a member, also includes a number of deputy ministers and two external people, one of which is Mr. Campbell. I don't know who the other one is.

8:50

Mrs. McClellan: Jack Halpin.

Mr. Klein: Oh, Jack Halpin. Okay. Well, he's an FCA; I know that.

They review the work plan of the internal audit services, the corporate internal services, and make recommendations as to whether Heather Zomar is carrying out her functions and her duties.

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

Mr. Mason: Thank you very much, Mr. Chairman. Well, I'm very pleased to be able to rise and debate the estimates of the Executive Council and the hon. Premier. I think one of the things that I'm going to regret about the hon. Premier is that we haven't had as much time to debate as I would have liked. I always enjoy engaging the Premier in the House.

I'd like to begin by asking about the increase in expenditures for

Executive Council as a whole and, in particular, the expenditures for the Public Affairs Bureau. I know that he has dealt with this in part, but there has been an increase of about 16 per cent in Public Affairs. If that was a one-time thing, Mr. Chairman, I think we could appreciate that, you know, it's a fairly small number, and it isn't a problem. But it's been a fairly consistent aspect of budget, since I've been here, at least, that the Public Affairs Bureau tends to increase more, in a general sense, than other expenditures within the government. I see that the Public Affairs Bureau in this case has an increase in the number of personnel, of full-time equivalents in the department. This year's budget says that there are 109 employees in the past year, but when we go back and look at the last year's budget, it listed 133 employees in the Public Affairs Bureau.

One of the things that I find difficult to follow, Mr. Chairman, is just how people are apportioned to be on the books of the Public Affairs Bureau or performing similar functions in the line departments of government and how, you know, people do similar functions, how decisions are made, where they sit, and whether or not we could have some consolidated information on all the number of people performing those kinds of communications functions whether or not they're in the Public Affairs Bureau or assigned to some other departments in the government.

Mr. Chairman, the Premier has talked about the role of the Public Affairs Bureau in dealing with public emergencies, and he's mentioned a couple, including a visit to Pine Lake. There was another emergency more recently at Lake Wabamun in which it took the Public Affairs Bureau five full days to inform residents of the Lake Wabamun area that they may have been exposed to toxic chemicals. That was a serious lapse, so I wonder if the Premier can indicate if he's taken any action to make sure that that sort of thing doesn't happen again. I'm assuming that he wasn't satisfied with that kind of communication, but the Public Affairs Bureau's task is to ensure effective and timely communications with Albertans during public emergencies. I think that it would be reassuring for all of us and, in particular, people in Wabamun to know what the government has done to make sure that this kind of thing doesn't happen again.

The target for public satisfaction with government communication priority areas in the 2005-06 fiscal years was 65 per cent, but I'd be interested in knowing how the government plans to raise the public satisfaction by 10 per cent and how that's going to be done.

I would like to know with respect to international travel, maybe a question there, how the government makes decisions about expenditures to ensure that ministers travelling abroad can do so most efficiently. There was a minister who travelled to Hong Kong in December 2005 and expended \$14,727 in travel expenses, but even if it was travelling first class, it would be less than half of that. So it means that at least \$11,000 of that was for expenses other than air travel. I'm just wondering what criteria Executive Council uses or the Premier uses to control travel expenses when people are travelling abroad.

You know, I'm really interested in the whole question of how we control or what guidelines are set for expenditures. I know that the Premier has said, Mr. Chairman, that they want to bring the increase in health care expenditures down to the rate of inflation. This has clearly not been accomplished, not only in health but in other departments, including the Premier's own budget. I'm just wondering why health has been singled out and whether or not the government is going to try and apply the same yardstick to other expenditures. Health is clearly the largest expenditure of any department in the government, but it is certainly not the only one. Although Mr. Mazankowski predicted four or five years ago that expenditures would rise to 50 per cent of government program expenditures, they

have, in fact, remained fairly static at 33, 34 per cent of total government program expenditures. So I'm just curious about how that objective was arrived at and why it's seemingly only being applied to Health and Wellness.

I'd be interested in the Premier's answers to those questions, Mr. Chairman, and I'll take my seat.

The Chair: The hon. the Premier.

Mr. Klein: Thank you, Mr. Chairman. To answer the last question first, again I would remind the hon. member that you can't relate my budget or the budgets of other ministries to the Department of Health and Wellness because we're talking about 10 billion – billion – dollars. That's a huge amount of money. I don't think that this room would be big enough to hold it if you had it all in loonies, 10 billion loonies. That is a huge amount of money, and we're talking about increases to that budget. We're talking about asks of 13 to 20 per cent and actual giving of 7 and a half per cent on average to that department. So that clearly is unsustainable.

Mr. Chairman, the hon. member asked about the Wabamun issue. I'll deal with that first.

9:00

First of all, we did receive the report prepared by Eric Newell, who was asked to do an assessment of the whole situation. I can tell you that communications staff – that is, staff of the Public Affairs Bureau – were on the site immediately upon finding out. Well, within a half an hour or so. There were some issues that are still being sorted out on receiving information from the company, in other words the railway company, and communicating correctly that information. But our communications people were on the site immediately and were communicating the best possible information that they had at that particular time.

The expenditures. Now, I will certainly take this up with my chief of staff and caucus relative to the expenditures. But the reports relative to international trips: reports are filed on the website, including the expenditures, and these are all published and very open and very transparent. On that particular issue and on that particular trip, if the hon. member will provide me with the information, I certainly will check it out.

An Hon. Member: We also issue news releases in advance.

Mr. Klein: Yes. I'm just reminded that prior to any trip being taken, a press release goes out explaining the purpose of the trip and the estimated cost of the trip. The trip includes not only the minister's expenses and airfare but those of his staff and any officials that he takes along with him.

Now, relative to the Public Affairs Bureau the breakdown is as follows. There are 117 full-time employees in the Public Affairs Bureau. In strategic communications – strategic communications, I will stress – we have added five new full-time employees to implement the recommendations of the review committee headed by the hon. Member for Calgary-West.

I can tell the hon. member that communications staff are seconded to 23 departments to develop and implement communications plans and programs. Those in the department plan, co-ordinate, and execute cross-government communications activities. They co-ordinate government communications to and from Albertans for government initiatives and during public emergencies, and that has already been alluded to. They're responsible for co-ordinating government communications to and from Albertans on priority areas for government initiatives, and they're responsible for providing

specialized writing and editing services to government. By writing and offering specialized editing services to government, I don't mean in a political sense but in an information sense.

Relative to corporate communication services there are 13 full-time employees, and that includes one new full-time employee to implement the review recommendations. Corporate communication services manages the government of Alberta website – that's very important – manages the Alberta Connects phone and e-mail system, provides advertising consultation and support to ministries, coordinates corporate advertising, and also distributes government news releases. That's under the corporate sector.

Under corporate services, as opposed to corporate communication services, there are 21 full-time employees, including two new full-time employees, to provide additional human resources and records management support to Executive Council, including the corporate internal audit service. Now, this corporate services section manages the human resource and financial needs, provides business plan and budget preparation, performance measurement co-ordination, annual report development, and record management and FOIP administration, and that is a huge, huge task. FOIP administration is huge, and thank God, for the opposition across the way, that they have those FOIP services. They provide information technology support and provide technical support for major government news conferences and announcements.

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

Mr. Elsalhy: Thank you, Mr. Chairman. Today we're examining the budget estimates for Executive Council: the brain, if you will, of this government, where all decisions are made, i.e. cabinet, and where the sales job to market those decisions to the public is planned and communicated; that is to say, the Public Affairs Bureau. I know that my colleague from Edmonton-Riverview, the leader of the opposition, has asked very good questions. Most of them were on my list of things to ask, so he, frankly, stole some of my thunder. But he is the leader and he can have that, absolutely. I will try to brief.

One thing I really cannot help but notice – and it was alluded to, Mr. Chairman, and I have personally said it before, last year when we discussed the previous year's budget – is that this government is bloated and is getting fatter. Immediately after the November 2004 election a whole new ministry was created, and ironically it was created to make government leaner and more efficient.

An Hon. Member: Which one was that?

Mr. Elsalhy: It was called Restructuring and Government Efficiency.

An Hon. Member: RAGE.

Mr. Elsalhy: RAGE, yes.

Only 16 months later, Mr. Chairman, and just this afternoon a new cabinet post was custom created, or tailor-made, to fit the hon. Member for Little Bow, who now joins cabinet as someone referred to as the Associate Minister of Infrastructure and Transportation. How many Progressive Conservative MLAs does it take to keep this machine running? How big will cabinet get for all work to be done? Compare this again, as was mentioned, to the lean cabinet back in the early '90s, and you would notice immediately that there's something wrong with this picture today.

With a larger cabinet there are more employees on staff, bigger salaries, including this member now receiving more than what he

was earning as just a private member, and a bigger severance package or transition allowance when he's no longer here and more capital spending. Oh, and get this, Mr. Chairman: this hon. member, or minister, now is going to be the minister in charge of capital planning. Well, I guess this is not good overall, but maybe the only positive thing would be for those infrastructure employees getting some overtime, you know, as they move four new cabinet ministers to their new, nicer office locations and the three ministers who left cabinet to pursue the Tory leadership adjust to their new, more humble surroundings.

Speaking of cabinet shuffles, the Liberal opposition members chose between them three MLAs from the government backbench to be promoted, but our picks were not selected, unfortunately. Well, you can't ask for everything. It would not be good. It would make too much sense.

Furthermore, Mr. Chairman, Executive Council did not lose any staff, nor did its budget shrink after transferring responsibility for Service Alberta to Government Services and the Queen's Printer to Restructuring and Government Efficiency.

9:10

I know we've spoken about RAGE before. I really think that what they're trying to do is add more work to this ministry because all of a sudden after SuperNet is finished, they only sell surplus and stuff like that. They're trying to find work for this ministry, and it's not justified.

An Hon. Member: Mo, you still haven't got it quite right.

Mr. Elsalhy: As a matter of fact, the Executive Council budget is growing, and 10 more full-time equivalents are going to be added.

Last year I talked about my concerns surrounding the Public Affairs Bureau, and I will not repeat them today, but I want to put on the record that they still exist, if not compounded and if not getting worse. The whole mandate and structure of this body must be re-evaluated. It has to be restored to a dialogue with citizens type structure compared to its current objectionable propaganda distribution role. It should be there to ask the public their opinion and to receive direction and feedback, not to steer public opinion or deliver spin.

The other thing I want to talk about tonight is finances. In this year's budget estimates the office of the Premier and Executive Council is asking us to vote \$6.6 million, which is up 14.8 per cent from the 2005-06 forecast; similarly, \$14.4 million for the Public Affairs Bureau, which is up 15.7 per cent since last year. Now, that's really a lot of money, Mr. Chairman.

I usually find it useful to compare Alberta to other jurisdictions in Canada to see how well or how poorly we measure against them. Typically I look at our neighbour to the west, British Columbia, and our neighbour to the east, Saskatchewan. I often include Ontario in my comparisons because people say that Alberta and Ontario, economically speaking, occupy the front seats in Canada. It is needless to say, of course, that B.C., Saskatchewan, and Ontario spend less on their equivalents of our Executive Council and mass propaganda machine than Alberta does.

To use just one example, I'll cite some numbers for reference. British Columbia's 2006 budget, which coincided with ours – they came within two weeks apart – lists operating expenses under their executive and support services, which includes their office of the Premier and the executive operations, at \$6.9 million. I know that the very few of my esteemed colleagues across who are paying attention will comment immediately that this is more than the \$6.6 million that our Premier is asking for. However, I have two points

to clarify. First, this represents a reasonable increase in British Columbia of only 4.2 per cent over their 2005-06 forecast compared to Alberta's 14.8 per cent increase. Second, when you also look at their intergovernmental relations secretariat, which is something not even remotely resembling our mammoth Public Affairs Bureau, their 2006-07 estimate is only about \$3 million. So, in effect, when you add those numbers, you add \$6.6 million for the Executive Council plus \$14 million for the Public Affairs Bureau. That's \$20.6 million in Alberta versus \$6.9 million plus \$3 million, which is \$9.9 million, in British Columbia.

Now, why are we comparing both jurisdictions? Because it's a province with a comparable population and a fairly similar scheme for how their finances are conducted. Where it differs is that B.C. is working on addressing its deficit and repaying its debt, so it is trying to be fiscally restrained, or conservative. On the other hand, you look at Alberta – debt free on the books, awash in nonrenewable resource revenues – and our government forgot the lessons learned from the past and is spending and growing like there is no tomorrow.

I know that some people would find this interesting, to say the least, that it's coming from the Liberals, who advocate or support program spending. However, the conclusion I'm starting to reach now, Mr. Chairman, is that we as the Alberta Liberals represent or occupy the political centre in this province. It's the whole idea of balance. It's really how you spend the huge amounts of money and on what: prioritizing, setting goals, setting targets, and respecting performance measures.

If this increase in money for the Executive Council or the increase for the Public Affairs Bureau was spent on schools or roads infrastructure or AISH or PDD recipients or a personal income tax cut or trying to strengthen our public health care system or eliminating the need for schools to charge fees for basic instructional services, things like that, then you would not get any criticism from this side. However, in less than 13 years, as I mentioned, you have added seven ministries, and you are now creating associate ministries. The size is growing, and the operational costs are ballooning. We definitely have issues there.

My esteemed colleague from Edmonton-Riverview also mentioned the corporate internal audit services. I appreciate the explanation given by the Premier, but I disagree with the direction to rename it to a corporate audit because I think that the term "corporate" further removes this department away from the public eye, and it doesn't in my humble opinion contribute to transparency and accountability. It was also mentioned that the line is being blurred between the Progressive Conservative Party as a party, as a political structure, and government in general. It was quoted that the vice-president of finance for the PC Party is also sitting as an independent member on this internal audit committee.

I have another example, which might not necessarily be under the immediate responsibility of Executive Council and the Premier, but again as the head of the government he would be interested to find out. Another example would be the manager of government services at the Workers' Compensation Board. He also happens to be the vice-president of communications of the Progressive Conservative Association of Alberta. You know, if we're trying to eliminate even the remote appearance of conflict of interest or if we're trying to really draw the line between what is partisan and what is government – government is here to serve everybody – then I urge the Premier to be looking at things like this, you know, to clean up government and avoid that even remote appearance of conflict of interest.

Most of the other questions I had were already asked and answered. I appreciate my chance, Mr. Chairman. Thank you for your indulgence.

The Chair: The hon. the Premier.

Mr. Klein: Thank you, Mr. Chairman. I'll try and answer as many questions as I possibly can.

Relative to the Ministry of Restructuring and Government Efficiency I explained that this department will focus on going through the massive amount of regulations, legislation, policy initiatives that have been developed over the past God knows how many years to determine what is relevant today and what isn't relevant. I think that overall and over a period of time we will achieve efficiency in government, and we will achieve effective restructuring.

Relative to tomorrow's announcement of a new associate minister I would remind the hon. member that we have received in terms of infrastructure spending something in the neighbourhood of \$13 billion.

Mrs. McClellan: Thirteen and a half.

Mr. Klein: Thirteen and a half billion dollars. We need someone to keep that in line. Mr. Chairman, I would remind this Legislature that most of the spending requests, at least suggestions for spending, come from the opposition. Relative to infrastructure we need someone to really do some capital planning because there has to be some rationale to road systems, to schools, to hospitals. We need to do this.

Relative to the comparisons that the hon. member alluded to between B.C. and Saskatchewan, I don't think that you can compare because I don't know what Executive Council is responsible for. In other words, the hon. member mentioned that they have \$6 million in British Columbia assigned to Executive Council, that could include the Premier's office. If it includes just the Premier's office, it would be very, very low. I have a chief of staff, who has an administrative assistant. There's the deputy chief of staff, the director of scheduling. I have two administrative assistants, a receptionist. Then there is an executive assistant to the Government House Leader, David Gillies, and an assistant to the executive assistant to the Government House Leader, Michelle Zolner.

9:20

Then we don't know if B.C. or Saskatchewan has a correspondence unit attached to it. This is under my budget. The correspondence unit includes eight staff, and believe me, they are busy. I don't count my mail; I weigh the mail. You know, I say, "Well, what is it today?" "It's 30 pounds." We have a manager of the correspondence unit. We have seven correspondence writers. We have all of the Public Affairs Bureau attached to my department. I have my own communications staff. That includes the director of communications, who's sitting in the gallery, the media relations manager, the communications manager, and the communications officer.

We have the Calgary office. I don't know if he includes the Vancouver office as well as the Victoria office. There's an executive director, a secretary, a receptionist, the building co-ordinator, and a communications manager.

Then there is Executive Council itself, which includes a deputy minister, a secretary, an executive director of policy co-ordination. That position is vacant right now. There's an issues manager, policy manager, policy manager, planning manager, administrative assistant, administrative assistant, deputy secretary to cabinet, co-ordination officer, cabinet policy co-ordinator, cabinet policy co-ordinator, co-ordination officer, co-ordination officer.

Then in protocol, which is also assigned to Executive Council –

and I don't know if it happens in B.C. or Saskatchewan – there is the chief of protocol, the secretary, the deputy chief of protocol, the protocol officer, director of Government House, the associate director of Government House. I don't know if that's assigned to the Executive Council in B.C.

Then there is the office of the Lieutenant Governor, and all the expenses associated with the office of the Lieutenant Governor are charged to Executive Council. So I don't know.

Mrs. McClellan: Well, here's an answer. B.C. moved their Public Affairs Bureau.

Mr. Klein: Oh, I see. I have this note here, where B.C. moved its Public Affairs Bureau to its Department of Finance.

I am advised that we have compared our Executive Council costs to other provinces in the past, and our size of budgets are similar in range. That's the advice I get.

The Chair: The hon. Member for Edmonton-Decore.

Mr. Bonko: Thanks, Mr. Chairman. I've just got a couple of questions with regard to finance then. Specifically, one would have been: why does the office of the Premier get a 12.6 per cent increase, and could this money that the increase equates to, which is about \$750,000, be better spent on funding school nutritional programs or with the drug awareness/resistance education? I know that the drug program, the task force that the Premier's wife is in charge of, certainly could use money like this, and it would offset perhaps the ongoing experimental use by the kids. Have it in junior high and reinforce it in high school. They're just not getting the message yet, and I think that money could be better spent putting it into drug programs.

Another one: it looks like the Lieutenant Governor's office is getting an increase of about \$100,000. This is after the centennial budget. I'm not sure if there is an explanation for that particular piece.

We've talked a little bit about the Public Affairs Bureau getting a 15.7 per cent increase to its budget year. This is a staff that many are complaining about, that is overabundant in use. It's far larger than that of the White House in the United States. We're wondering if the increase is for the advertisement of, perhaps, the push of the third way still. How can the Premier ensure that the money or the resources don't indirectly provide leadership candidates with potential free advertising on the public dime? The other point is: within the Public Affairs Bureau is the corporate communication service getting an increase of about 30 per cent?

My last piece there, Mr. Chairman, would be with recommendations for the Auditor General. We can empower the Auditor General to have the same far-reaching powers as that of the federal, of Sheila Fraser, because quite frankly right now the Auditor General does not have the power and ability to do overarching audits and concerning internal audits that we would like to see. We'd like to see him with a little bit more power. That would obviously give a little bit more credibility to the position.

Thank you, Mr. Chairman.

The Chair: Does the hon. the Premier wish to respond?

Mr. Klein: Well, Mr. Chairman, I don't think that there is a computer large enough to compute what percentage of our total budget is \$750,000. I think it must be one one-hundredth of 1 per cent. I'm certain that, you know, a program could do with that money, but there is sufficient money to address nutrition programs.

There is sufficient money to address drug-use prevention programs. There is a huge amount of money being spent on programs, about \$28.3 billion – \$28.3 billion – and the hon. member is talking about \$750,000. It's a lot of money to me, it's a lot of money to everyone here, and it's a lot of money to the hon. member, but in the scheme of things, as I say, it would hardly compute. You would need a very, very large computer to figure it out. I don't know if anyone is figuring it out here.

An Hon. Member: Working on it.

Mr. Klein: They're working on it. Yeah, right. A lot of teachers in caucus and a lot of teachers over there, and still it takes a lot of figuring out to make the computation.

What was the other question? I don't know what question was asked, Mr. Chairman, but I did comment on the comment.

The Chair: The hon. Member for Cardston-Taber-Warner.

Mr. Hinman: Well, thank you, Mr. Chairman. It almost seemed like we're on a merry-go-round here and it's going faster and faster. We're going to end up falling off.

An Hon. Member: Question.

Mr. Hinman: Question? Can't you guys come up with something new? [interjections] It's only once a week. Think of something new. [interjections] Start watching.

The Chair: Hon. members, the Member for Cardston-Taber-Warner has the floor.

Mr. Hinman: Yes. Thank you, Mr. Chairman. It's a pleasure to get up and to address the budget of the Executive Council. I guess I'll have to start off with: I must say that I'm a little bit alarmed at the number of times the Premier has gotten up and said that this is a minuscule amount. I was always taught that if you don't look after the pennies, you'll never be able to look after the dollars. I'm concerned with the discussion going on so far regarding that.

I guess I'd like to go to page 173, where it says, "Increase communications with Albertans in the areas they identify as top priorities" and to reread, "They also have a right to receive clear facts about the issues faced by the province" and "clear and timely communications" from this government. Many good points have already been brought up, but the dilemma that I am constantly asked is: what are their real plans? What are they doing with health care? We would really appreciate a more forthright government that would say that these are exactly what we are doing, not just that doctors can work in and out of the system and that they're going to have private insurance. How are those things going to be implemented? We could have a real discussion on that.

9:30

Also, when it comes to the Public Affairs Bureau, the vision there: "The Public Affairs Bureau will be a centre of communications excellence and one of Albertans' preferred choices for news and information about their government's policies, programs and services." I must say that the programs, the policies, and even the ministries are changing at such a fast pace that it's very difficult for Albertans – seniors, PDD people, caregivers, anybody – who wonder, "Where do we apply, and how do we find out what programs are there?" It isn't clear. I'm hoping that with the extra staff and the things that they're bringing forward they can make it

clearer and more simple for Albertans to find what they need. Even municipal governments making applications for their different policies and programs are finding it very difficult to track down the ministry and where it is. Infrastructure and Transportation has now been split again, and the schooling is taking over the infrastructure there. There's this constant change, and it's a major concern.

I also have to comment on the Minister of Restructuring and Government Efficiency and the fact that we're following B.C. and their example, but I don't think they created a whole ministry in order to reduce their red tape and the plethora of regulations which they had. It just seems that we've gone full circle here.

I appreciated the Premier when he came in and said that we need to restructure government, we need to reduce the size, and we need to be more efficient. I feel that we need to go back to that instead of expanding to 24, 24 and a half, or 25 ministries, however we want to count them. Very alarming to the people of Alberta, I believe, the growth of this government. The Premier has mentioned many times that, "Well, you know, 13 per cent or 22 per cent in Executive Council doesn't really count," but it's the discipline on whether we're going to continue. When the Premier came in, that was very much his goal: we're going to cut; we're going to hold; we're going to be restrained.

He made the comment a few weeks ago which proved to be so true, "It's much harder to manage when we have money than when we don't." I think we need to take a couple of steps back and say: "You know, we need to tighten the belt. We need to put away in this time of plenty." They've mentioned many times that we need to be conservative when we look for the income and the revenue from our oil and gas because that could change drastically very quickly, and we need to be prepared for that. What we've currently got isn't sustainable with a slight drop in the price of those commodities.

I guess the other thing I'd like to address is number 3 under the strategic priorities, building and educating tomorrow's workforce. I appreciate the ideas and that we're working with Advanced Education and labour supply and the apprentice and skills programs, but I'm concerned. Many times we talk about early education. I'll go back a few years. In my high school years I had the opportunity to try welding, drafting, woodworking, plastic, pottery, glazing, auto mechanics, assistant teaching . . . [interjection] I did a lot and had that opportunity. Absolutely.

What I would like to see is to go back to that. We have kids that, by the time they reach grade 9 and grade 10, are no longer interested in academics. Our schools are being reduced, and if we want to put money anywhere, we need to increase the trades. We need to increase the industrial arts in many of these schools and catch them earlier, so when they leave high school, they've tried several things. Whether it's electronics, whether it's mechanics, whether it's woodworking, they have an opportunity to engage. We get them going in extracurricular sports, and we get them going in the arts, but we need to get them going in the trades industry.

I'd like Executive Council to consider bringing that into the high school level because that's where the kids drop out. If they've had the opportunity to try several areas, I think that that would be a great benefit to the youth of this province, to be able to keep them engaged and find something exciting that they like.

I guess I'd like to close and thank the Premier for his comments. When he was asked a few days ago if he had any, I guess, instructions for the next leader, he said, "Well, whatever you do, keep a balanced budget, and don't go into debt." I hope that we would remember this currently and realize that now is the opportunity to protect ourselves from doing that.

The Premier put in legislation years ago that all surpluses would have to go to paying down the debt. I would very much like to see

Executive Council take the step now that all surplus would go, perhaps, 50 per cent to savings and 50 per cent to a tax refund, and then there is no fighting over what to do with the surplus. It's already legislated. We know where it's going. If we had a \$5.8 billion surplus, half could go into the heritage trust fund; half could go back to refund the flat tax. Of \$5.8 billion it would be \$2.8 billion or a little bit more. Albertans could in fact enjoy that, and we wouldn't be having this dilemma and this fight over where to put the surplus every time, which seems to be a major problem.

With that, I'll sit down. Thank you.

Mr. Klein: Mr. Chairman, there are all kinds of suggestions, including those from the opposition, as to what we should do with the surplus. Thank God we have a surplus instead of a deficit.

A number of points were raised by the hon. member, and I'd like to reply to those points. First of all, I didn't say that \$750,000 is minuscule. I did say that it's a lot of money to all of us, including members of the opposition, but in terms of this year's \$28 billion budget, you would need a computer as large as this room to compute what percentage of the total budget that is. That is what I said. Apparently, the computers that we have here won't calculate that many front zeros. It's one one-thousandth or less of 1 per cent. But it's still a lot of money.

I would like to say something, if I may, about this government because it was raised. It was raised in the context of not looking after our house, and indeed we have looked after the house very well. I would remind the hon. member that when I came to office, there were in excess of 30,000 public service employees. Now there are 22,927 – 22,927 – who work directly for government. We have no control over what the regional health authorities or the school boards hire in terms of teachers and medical caregivers and so on. But those who work for the government directly: 22,927, down from 30,000.

I can tell you relative to the welfare rolls that they have not grown. We have still half as many people receiving welfare payments as there were in 1991 – half as many people receiving welfare.

Relative to ministerial responsibility. First of all, I mentioned that we have had something like \$13.5 billion in requests for capital spending, and we need to get a handle on that. But as the opposition, including the Alliance opposition and the ND opposition and the Liberal opposition, so often point out, the buck stops here. The one thing I have learned in my 25 or 26 years in politics is that the buck does stop here. If a public service employee, no matter how senior, screws up, the buck stops here. So if we are going to have ministers to take the blame, you might as well have the ministers. Indeed, we're only adding one more minister, and that is an associate minister to look after a very serious situation in a very significant department. That is the Department of Infrastructure and Transportation, where the requests, as I have mentioned, have exceeded \$13 billion.

9:40

The hon. member makes some interesting comments relative to building and educating Alberta's workforce, and on this point I have to agree with him.

Mrs. McClellan: Whoops.

Mr. Klein: The hon. Provincial Treasurer said "whoops," but I do have to agree with him.

Not so long ago, less than a week ago, I had a meeting with the Canadian Home Builders' Association. They raised this very point that high schools – and I'll address this to the Minister of Education

because it will be addressed to him if it hasn't already been – are not concentrating on shop programs like electronics and woodworking and welding and so on, and they ought to be.

Now, the Canadian Home Builders' Association have provided – and I have sent it to our Minister of Human Resources and Employment – a tool box. This tool box doesn't contain tools; it contains a lot of information, and I'm sure that the hon. minister will share it with the Minister of Education. It contains a lot of information on how a young person can pursue a trade as opposed to going to university or a college, how that person can pursue a trade. Believe me, I was telling the story of an individual in our caucus who was a welder by profession and could make as a welder about 10 times the salary that he's making right now or that he will be making. He said: "If you were a welder, I would hire you tomorrow. Well, I'd hire you right now. I'd hire you yesterday."

The Home Builders' Association is working very hard to first of all encourage high schools to reinstitute shop programs and, secondly, to have young people pursue trades. I'm advised by the Minister of Education that he will address these issues in his first-ever high school completion symposium this fall. Perhaps the hon. minister can attend, and this, by the way, was mentioned in the throne speech.

So on that point I agree with the hon. member.

The Chair: The hon. Member for Edmonton-Ellerslie.

Mr. Agnihotri: Thank you, Mr. Chairman. First of all, I want to thank Mr. Premier and all his staff, who worked so hard to prepare this budget. This ministry of Executive Council consists of three or four major departments: the office of the Premier, corporate internal audit services, Public Affairs Bureau, and the latest that the Premier just added, the land-use strategy. I will touch on a couple of them because I don't think I have enough time.

Despite losing responsibility for both the Service Alberta call centre and Queen's Printer, the overall Executive Council budget is increasing 13.5 per cent, estimates page 180. The budget for the Premier's office has increased 67 per cent since the year 2001.

I have a few questions for the office of the Premier. Why was the responsibility for the Service Alberta call centre and the Queen's Printer moved to Government Services and RAGE, respectively? Why, given the shift of these areas, is there no ability to reduce the budget for Executive Council? Why is there an increase in overall staff of 10 full-time employees? That is also on page 187. With the reduction in areas of responsibility shouldn't this go down? What specific positions are being filled by the PAB's eight new full-time employees? What specific positions are being filled by corporate internal audit services' two new full-time employees? How will anyone know whether they are necessary, useful positions that provide value to Albertans?

The annual report for Executive Council in the year 2004-05 reports that the total compensation for a number of senior positions increased dramatically. Is it safe to assume that the chief internal auditor increase from 131K to 184K is simply due to a person holding the position for the full fiscal year, or is there something else here? Why did the executive director of corporate communications get an increase of nearly 30K, now totalling 143K, between fiscal years ending 2004 and 2005?

The Public Affairs Bureau is supposed to be nonpartisan, but I'm sorry to say that the government is the only one who uses the money from this department. I think that if it's nonpartisan, if there is a priority sometime, they should give money to the opposition to use, money for advertising, especially now that the third way is coming. At least they should have the say to advertise their points of view in the media.

The structure and function of the Public Affairs Bureau has recently been reviewed. When can we expect to hear of the outcomes of this review? Mr. Chairman, will the Premier relinquish control over the PAB and return the communications professionals to their departments, where they can truly serve Albertans in a nonpartisan, professional way? Is moving the Service Alberta call centre out of the PAB part of this review? Does it mean that the PAB is even less about two-way communication and dialogue, as is claimed, and even more about one-way spin?

The PAB's strategic priorities have all changed in this year's business plan. Last year's plan included two priorities that would seem to be worth mentioning. Number 2 was to "ensure Albertans are aware of opportunities available to themselves and their families." Number 4 was: "provide disadvantaged and vulnerable Albertans with information on available programs and supports." Will the Premier agree to make such information public in the name of goal 2? I saw it on the government's website: making government information more accessible.

Another one that I want to talk about is strategy 1.3, the communications strategy about building and educating Alberta's labour force. We were in Fort McMurray last week and discussed with some stakeholders. We should give some priorities to the people living in Fort Mac because they are the people giving us most of the money, and in return they're not getting enough. I suggest, Mr. Premier, to make a note of this one.

9:50

Strategy 1.2 is centred on ensuring "Albertans and all relevant stakeholders are informed of government's efforts to manage growth and prosperity." When we talk about prosperity – I mean, all Albertans work so hard. They have sacrificed in the last 10, 15 years, so everybody deserves part of the prosperity. I know that Mr. Premier has already helped the AISH and some other departments, but there are still low-income people that are suffering, and the gap between rich and poor is widening. I ask him to make a note of this. If possible we should give them priority and help them out as much as we can because they have sacrificed a lot, and they deserve this.

The next one is the internal audit services. I think we should give some more powers to the internal audit services department like we have in Ottawa, the federal government, like Sheila Fraser. In Alberta every time we see the Auditor General's report, most of the recommendations are suggestions. I'm not criticizing him. I'm not the authority. I'm just suggesting, Mr. Premier, that he can look into it and be a little bit more strict in the future and make sure that if the Auditor General finds something suspicious, they should point it out a little bit more strictly, like Sheila Fraser did in Ottawa. I'm sure that they will find lots of things happening here in . . .

Mr. R. Miller: Do you think they might find some skeletons?

Mr. Agnihotri: Well, you may say skeletons, but I don't say it's skeletons.

Definitely, I'm in favour of giving some more powers to the Auditor General so that they can investigate properly. I saw an investigation of the Applewood community in Calgary. That was Community Development. I'm not sure whether they returned that money to the government. There should be a process where the minister or the Premier should have some authority. We should be very strict on that.

I know that I'm running out of time. I once again thank the Premier and the staff for working hard. If he can answer my questions tonight, that would be appreciated. If not, he can always respond in writing as soon as possible.

Thank you very much.

The Chair: The hon. the Premier.

Mr. Klein: Thank you. I'll try and cover as much ground as I possibly can, Mr. Chairman. In the overall budget \$1.4 million is for salaries. There's no reason why any of the staff connected to Executive Council should be treated any less than any other employee of the provincial government. Now, that's \$1.4 million. The Liberal opposition would be the first to complain if I treated my staff differently than any other employee. They would be the first to complain.

The only extraordinary expenditure was the result of a review of the Public Affairs Bureau, which resulted in a \$1.4 million expenditure for more staff. I'd like to comment just a bit on the review. The PAB review committee, as I mentioned, was headed by the hon. Member for Calgary-West. They recommended to increase the corporate and strategic communications focus of the bureau. This was no different than any other internal government review, and the changes amount to a minor tune-up for the bureau. A minor tune-up. The people interviewed as part of the review did so with the expectation that their comments would not be made public, and the committee's recommendations were provided for internal purposes only. The interviews were conducted in person or over the phone, and no minutes of committee meetings were kept. Since this was an internal government process – an internal government process – and since the findings were prepared for Executive Council management's information only, we won't be releasing the committee's report or the government's response other than what is contained in the budget, and that is a direct result of the review.

The Auditor General, I would remind the hon. member, is an officer of the Legislature and is fully accountable to the Legislature. But I can tell you, notwithstanding Sheila Fraser, the federal Auditor General, that Mr. Dunn does a thorough job as an officer of the Legislature. When he submits his reports on any government – what is the proper word? – department or any government deficiencies or functions within a department, he makes recommendations to correct those deficiencies, and we act on all those recommendations. If we don't act on those recommendations, then the Auditor General is required by legislation to do a qualified audit of the particular department or situation to find out why we didn't accept the recommendation. So it's all open. It's transparent. He is accountable to the Legislature, and believe me, we either have to accept his recommendations or submit ourselves to a qualified audit, which is much more severe than the original audit. So the Auditor General is very valuable to the government in making sure that we remain efficient, accountable, and responsible.

10:00

I'm just trying to think of what other questions he asked. Oh, I'm sorry. Mr. Chairman, the executive director of communications and the salary increase: I'm not sure to whom he refers, but I will try and read *Hansard* and review the situation.

I thank the hon. members opposite and all my colleagues for their kind attention this evening. Thank you. [Standing ovation]

The Chair: After considering the business plan and proposed estimates for the Department of Executive Council for the fiscal year ending March 31, 2007, are you ready for the vote?

Hon. Members: Agreed.

Agreed to:	
Expense	\$25,294,000

The Chair: Shall the vote be reported?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Chairman. It's been a very exciting and entertaining and informative evening tonight with our Premier at his very finest and best. Well done, Premier, on the responses. I'm sure there'll be more chatter later.

Nonetheless, on that note, Mr. Chair, I would move that the committee now rise and report the estimates of Executive Council and beg leave to sit again.

[Motion carried]

[The Deputy Speaker in the chair]

The Deputy Speaker: The hon. Member for Leduc-Beaumont-Devon.

Mr. Rogers: Thank you, Mr. Speaker. The Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2007, for the following department.

Executive Council: expense, \$25,294,000.

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

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

The hon. Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. In view of the hour I would move that the Assembly now stand adjourned until 1:30 p.m. tomorrow.

[Motion carried; at 10:03 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]