

Mark Lisac's

Insight

into Government

Alberta's independent newsletter on government & politics

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Volume 21 Number 33

Week ending May 4, 2007

THE WEEK QUICKLY

● Premier Ed Stelmach has run into big obstacles as he tries to build support in Calgary; Mayor David Bronconnier is giving him trouble but the larger problem is probably the changing nature of the city ● The government decides to scrap another legacy of the 1990s — its insistence that municipalities leave road construction to private contractors ● A public consultation begins on land use planning; most people just want the province to demonstrate leadership and act ● The affordable housing plan is put into law but the toughest debate in the spring session may occur over mandatory treatment for the mentally ill ● Government MLAs worry about the rising cost of developing electronic health records ● A child-care funding announcement shows how to get maximum political credit for budget plans ● The premier delivers mixed messages on securities regulation ● The education minister sticks to his guns

POLITICAL CULTURE

ACCUSTOMED TO HIS FACE, RESISTANT TO HIS CHARM

The premier knows Calgary was the soft spot in support for his leadership and has been trying hard to win the city over; it's turning out to be a tougher job than he might have expected

What is Ed Stelmach going to do about Calgary? He's spent much of the last four months there. The budget treated the city all right in many ways. The government is committed to building a new hospital with a \$1-billion-plus and rising price tag. The affordable housing initiatives leave a few gaps — some Conservative MLAs wanted to cap rent increases, for example — but they should address some of the city's housing issues.

The love hasn't been flowing back.

Mayor **David Bronconnier** has been blasting the government and Stelmach in public.

Local columnists are unimpressed with the premier and his team. One refers to the senior levels of cabinet as "the backwoods boys." Another reported that Stelmach's speech to 1,750 people at the annual Calgary fundraising dinner last week (another \$800,000 in the bank for the party) featured flubbed lines, no spark and a snooze-inducing effect on his audience.

Topping off the poor reviews — and probably influenced by them — were listless poll numbers reported on the front page of

POLITICAL PULSE

ROAD CONSTRUCTION

THE PROVINCE WANTS MUNICIPALITIES TO HELP

Scratch another legacy of the 1990s. During the era of cost cutting and privatization, the Alberta government actively discouraged municipalities from doing their own road construction and repair; contracting out was preferred.

Infrastructure Minister Luke Ouellette says the government now wants to encourage municipalities to develop more capacity to build and maintain roads.

He took that message last week to a meeting of the Alberta Roadbuilders and Heavy Construction Association. Private contractors have been among the chief lobbyists to keep municipalities out of the business. They cite unfair competition.

Ouellette and other MLAs are usually open to such arguments. They're facing overwhelming necessity, however.

The 2007-08 budget provided for 2,500 kilometres of road rehabilitation over the next three years. The department should be rehabilitating at least 4,500 kilometres over that period.

The government did give itself a minor out. Part of any unexpected surplus will go into road maintenance.

It's open to question, however, whether private contractors have enough capacity to do more work than budgeted.

The city of Edmonton is looking at boosting its "own-force" capacity.

Rural municipalities have varying capacities to do their own road work. A report on road work for the Association of Municipal Districts and Counties last month did not include more "own-force" capacity among its eight recommendations.

It talked instead about ideas like Leduc County's plan to advertise a tender for a five-year paving program. The idea is that a long-term deal may persuade contractors to bid lower. Joint contracting by neighbouring municipalities aims at the same goal.

Also in the works is a proposed "private municipal construction corporation." It may be provincewide or there may be a number of smaller corporations.

Whatever happens, the crushing demand for capital projects is forcing innovation, a turn toward pragmatism, and unrelenting pressure for long-term and stable provincial funding for municipalities that runs beyond the current three-year budget planning horizon.

the Calgary Herald. Only 35% of Calgarians approved of the April 19 budget, compared with 46% of people in Edmonton and 44% in other regions.

Another poll a few days later found 69% of Calgarians backed Bronconnier's dim view of the provincial budget. And 68% agreed with the mayor that the province shouldn't be restricting how municipalities can spend grant money.

More dangerously, the Herald reported that a Leger Marketing poll found support for the PC party has dropped to 44% in the city from 57% in September, while the Liberals climbed to the 18%-19% range from 10%. (Ipsos-Reid a few days earlier put the PCs at 57% approval in Calgary, but the Leger numbers were on the front page.)

The poll on the budget reflected what people saw in the media. Opinion could change. It likely won't.

Something deeper and more permanent seems to be going on. Calgary is a self-confident urban society. Provincial politicians apparently don't know how to cope with it because they haven't seen one before.

Evidence can be found in the Canada West Foundation's 2007 Looking West survey, published in mid-April.

The Canada West survey compared attitudes in the six major western cities and Toronto. In some ways, Calgary's attitudes resembled those of other western cities. But on certain issues, it was closest to Toronto.

About three-quarters of Torontonians agreed that it's a good idea to treat big cities differently from other parts of their province (37.8% said it was a very good idea and 37.8% a good idea). Calgarians were second most likely to agree (26.1% calling it a very good idea and 44.1% a good idea).

A similar trend showed up when people were asked which government most affected their daily lives. Calgary stood out — 48.7% of Calgarians said municipal government had a greater effect on their daily lives than the federal or provincial governments. (The city closest to Calgary was Saskatoon, at 41%.)

Now check the opposite view. In Calgary, 29.5% said the provincial government had the greatest impact on their daily lives; in Edmonton, 39.2% said it was the province.

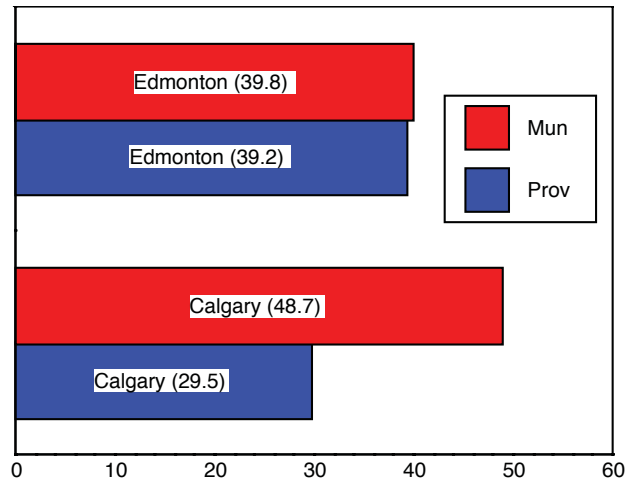
There's little doubt that findings in rural Alberta would also emphasize the role of the province.

Stelmach and his senior ministers come from a rural tradition that sees the provincial government as essential. The province comes up with needed infrastructure money and agricultural support. It runs the relevant programs.

Many rural members of the Stelmach cabinet want to prove they can run things as well as the city boys. What they haven't grasped is that Calgarians don't want provincial politicians from anywhere running city affairs.

A verbal war between Bronconnier and the government broke out full force this week. The mayor told about 500 local business leaders in a luncheon speech that the provincial budget "is one of the most significant

POLITICAL WORLDS APART



When people in Alberta's two largest cities were asked which levels of government affected their daily lives most, 48.7% of Calgarians picked their municipal government; only 39.8% of Edmontonians had the same view.

Scale in percentages. Source: Canada West Foundation

broken promises ever perpetrated on Albertans." Stelmach was in Toronto that day. He was tracking events closely enough to pronounce himself "really ticked."

In the legislature, a backbencher lobbed a question to Finance Minister **Lyle Oberg**, who reeled off numbers showing the budget gives about \$5.5 billion to the city.

Treasury Board President **Lloyd Snelgrove** told Liberal Leader **Kevin Taft**, "Mayor Bronconnier may have his own agenda, and I would suggest that you should look very closely around you because I think the way he is posturing, it has a lot more to do with politics and a lot less to do with dealing with the citizens of Calgary."

Conservative MLAs have been suspicious of Bronconnier and his hefty campaign funds for years.

They appear to be missing the point. Their problem isn't the mayor, it's the fact that Calgary has become a North American metropolitan area that no longer accepts being treated like Lloydminster or Grande Prairie.

Bronconnier can't translate the poll findings and verbal support from other councillors and business leaders into more own-source finances. The Canada West survey found considerable skepticism in Calgary that the municipal government spends wisely or needs more taxing power.

But all the polling evidence leads toward a conclusion backed up by the results of the PC leadership election in December (Calgary was Stelmach's weak point) and by consistent signals that the city is the centre of Green party support in the West.

Calgary has increasingly become unlike the rest of Alberta. Inevitably, it has become more unpredictable and independent. That clashes with the provincial politicians' ingrained response to political trouble — hand out money, hold on to power.

LAND USE

DECISIONS MAY HAVE TO WAIT UNTIL AFTER AN ELECTION

A stakeholders' conference last winter urged gov't leadership; for now, there will be more consultation

Alberta's land use policy is shaping up as one of the larger "After you, Alphonse" exercises in the province's recent history.

The phrase comes from a century-old New York comic strip that featured two excessively polite Frenchmen. Coming to a door, one would say, "After you, Alphonse." The other would reply, "You first, my dear Gaston." Neither would then be able to move.

That roughly sums up the state of a land-use policy planning exercise now more than a year and a half old.

This week, Sustainable Resources Minister **Ted Morton** announced yet another of the government's public consultations. Public sessions will be held in 15 locations around the province May 14-31. People will also be invited to fill out and mail in questionnaires.

A draft framework policy is promised by the end of this year. Albertans may be ready for something sooner.

Three levels of consultation to date have found people want the provincial government to exercise leadership on land use. The politicians remain cautious.

The most recent check on public opinion was a forum with 150 people, held in Red Deer the weekend that **Ed Stelmach** was being elected PC party leader.

A summary of the forum was released this week along with the announcement of the new consultations.

It reported that participants in nine of 10 discussion groups said provincial government leadership was central to land use policy. "Almost all the groups indicated that provincial leadership has been noticeably absent."

However, they also said provincial **leadership did not mean the exercise of overriding provincial authority**. They envisaged instead a system in which the province supplies information and sets basic ground rules, while local authorities and private landowners are responsible for putting the broader strategy into effect — but they couldn't agree on how responsibility might be allocated.

Compounding that, the report repeatedly cites disagreement among participants over the scope and direction of some policies. The forum couldn't decide whether the proposed land use framework should set out land-use goals or merely decision-making processes.

Hints of an appetite for action emerged, despite a lack of consensus. Participants suggested the government "formulate strategies to shape, guide and even limit growth." That's serious. Limiting growth runs counter to the Stelmach government's approach.

Forum participants were ready to protect agricultural land, although specific ideas were in short supply. Proposals included paying landowners for conservation.

They wanted much better control of rural-urban disagreements and of "rural sprawl."

Most of all: "Participants repeatedly stated that current rates of growth have ... generated social and environmental problems, amplified pressures on infrastructure and services, prompted a sense of disconnectedness among communities, created conflicts and competition among land users in both urban and rural areas, and transformed cultural values."

People want the province to act, but also want local vetoes over provincial bureaucracy.

That's a signal to politicians to go slow, even if the circumstances appear to demand more speed. A draft framework by the end of the year suggests a final policy will appear after the election that's likely next spring.

TEACHERS' PENSIONS

ATA SAYS NO THANKS TO LIEPERT — IS THAT WHAT HE WANTED?

A dividing line has been drawn between Education Minister **Ron Liepert** (supported by Conservative MLAs) and the Alberta Teachers' Association.

Now it's a question of whether the government cares whether there's a clash, or perhaps even wants to see one.

Liepert gave the ATA a letter on April 19 offering \$25 million to help pay the teachers' portion of unfunded pension liability obligations for the coming year. The payment would be heavily weighted toward younger teachers. In return, the minister wanted a guarantee of labour peace this year and participation in a task force to reach a long-term agreement on pension funding.

Frank Bruseker, ATA president, replied this week in a letter subsequently posted on the association's website. He said the ATA won't participate in the task force because it will delay talks that should begin immediately. He also noted the task force would work "within a policy context already defined by the government."

Weighting government aid toward younger teachers is unfair, the letter said. And because bargaining is decided locally, the ATA cannot guarantee there will be no strikes this year and the Alberta School Boards Association cannot guarantee there will be no lockouts.

These positions aren't surprising. Was that the plan?

Liepert asked in question period this week whether Liberal Leader **Kevin Taft** was "taking the position of the Alberta Teachers' Association and not of young teachers in this province." His wording suggested the government is counting on heavy support from teachers with up to about 10 years' experience during contract talks this summer.

The ATA, meanwhile, has clarified its own agenda. Bruseker's letter proposes settling the pension issue by September. That suggests ATA members would take a pension deal into account while assessing school board contract offers, despite anyone's denial that the two matters are linked.

LEGISLATURE ...

Copies of bills can be downloaded from the legislature's website: www.assembly.ab.ca

BILLS REPORT

Bill 34

Residential Tenancies Amendment Act

Service Alberta Minister Lloyd Snelgrove

● **First reading.** The bill would limit rent increases to one per year and require one year's notice for conversion of a rental unit or mobile home site to a condominium. One year's notice would also be required for major renovations to a rental unit. No rent increases would be allowed during the conversion notice period. The bill would be retroactive to April 24; it would amend two existing laws and implement policies announced on that date.

In question period exchanges on the decision not to impose rent caps, Snelgrove said thousands of landlords have good relationships with tenants.

"Unfortunately, in any business when the opportunity arises for some to take money, they do. That's unfortunate, but that's a fact of the system we live in."

Liberal MLA **Harry Chase (Calgary-Varsity)** asked for information about how the \$7-million emergency housing fund announced April 24 will work. It's to help tenants cope who are faced with unaffordable rent increases or waiting for a first pay cheque after moving into the province. Cabinet ministers said matters such as eligibility requirements and aid levels are still being worked out.

Bill 31

Mental Health Amendment Act

● **Second-reading debate** began this week with eloquent and deeply held expressions of opinion on both sides. The bill is so fraught with pros and cons, and being so heavily lobbied, that the Liberals decided to allow a free vote on it; their MLAs are variously for, against and undecided.

The bill provides for community treatment orders that would force some mentally ill persons into treatment. Sponsor **Tony Abbott (PC—Drayton Valley-Calmor)** said that would prevent harm to others and would help patients who have been refusing or neglecting treatment. The bill also expands the existing law's concept of mandatory treatment for those likely to present a danger to others to include those likely to "cause harm" and those in jeopardy of "substantial mental or physical deterioration." Abbott cited wide demand in the public and among relatives of mentally ill persons.

Liberal **Hugh MacDonald (Edmonton-Gold Bar)** said he supports the bill, partly because constituents do.

Other Liberal MLAs said they've heard conflicting views, including from different groups in the mental health community, and want more information.

New Democrat **Raj Pannu (Edmonton-Strathcona)** and Liberal **Laurie Blakeman (Edmonton-Centre)** said the bill dangerously infringes on personal freedom.

Pannu said it should at least have a clause requiring legislature review every five years.

Blakeman said the bill does not distinguish between different types of mental illness, does not encourage improvements in medication (harsh side effects are a major reason people stop taking medication); and does not have all the safeguards claimed. One clause allows temporary avoidance of a requirement that all community treatment orders be signed by a psychiatrist.

Both Blakeman and Pannu criticized the bill for allowing endless six-month extensions of orders for forced treatment. They said the mentally ill suffered from a failure to provide adequate community supports after a movement took hold in the 1990s to take them out of institutions. **Barry McFarland (PC—Little Bow)** agreed with that while supporting the bill.

Blakeman said: "I believe with every fibre in my body that any suggestion to curb or narrow or curtail someone's human or civil rights should never be done unless there is an absolutely ironclad, proven result."

Other bills ...

● **Bill 11** would repeal obsolete legislative references to the Alberta Government Telephones Commission. **Bill 33** would authorize a regional water line from Bashaw to Ferintosh; legislation is necessary because the line would transfer water from the Red Deer River basin to the North Saskatchewan River basin.

PUBLIC ACCOUNTS COMMITTEE

Schools ...

● **Harvey Cenaiko (PC—Calgary-Buffalo)** got straight to the point as the legislature's public accounts committee reviewed the Education Department's 2005-06 fiscal year: "Do we have too many school boards?"

Deputy education minister **Keray Henke** replied the number of boards is a policy matter and he wouldn't venture an opinion. Cenaiko is waiting for more research.

David Eggen (NDP—Edmonton-Calder) asked about what he saw as inadequate school funding. Henke said he did not mean to imply any criticism of boards, but almost all 62 had accumulated operating surpluses while reducing class sizes in senior grades below levels recommended in 2003 by the Learning Commission. He said kindergarten to Grade 3 class sizes should reach recommended levels this year.

Asked about Alberta's relatively high level of school dropouts, Henke said a symposium last September found the critical issues in dropping out were a difficult home environment and lack of emotional support from parents and schools. The dropout process usually was set in motion before youth entered high school. Henke said the department is working on ways to target aid: "They are

not just classroom strategies; they are community and family strategies.”

Henke's appearance marked the first time a deputy minister handled a public accounts meeting without a minister present. Other senior department managers congratulated Henke afterward on his performance. The committee is moving permanently toward making **ministers' appearances optional**.

Electronic health records ...

● Signs of concern are popping up among government MLAs about the rising bill for electronic health records.

Ivan Strang (West Yellowhead) worried in public accounts that hundreds of millions of dollars are going into “a deep black hole.” **Linda Miller**, assistant deputy minister for information services, assured him the program is “well on target” to reaching its objectives next year.

Carol Haley (Airdrie-Chestermere), a member of Treasury Board, said in budget debate this week that the project is necessary but she worries that it isn't complete: “I think everybody should be concerned if that's the appropriate place for us to be allocating money ...”

People ...

Emergency Management ...

● **David Hodgins**, fire commissioner for British Columbia, appointed managing director of Emergency Management Alberta. He has 30 years of firefighting experience in four provinces, including appointments as fire chief for Strathcona County and London, Ont. The cabinet order appointing him also amends the name of the agency.

Northern Alberta Development Council ...

● **Carmen Ewing** appointed to an additional term to expire on March 31, 2008 ● Appointed to three-year terms: **Iris Callioux**, town councillor in Peace River; **David Kirschner**, Fort McMurray community volunteer and owner of commercial, residential and industrial properties in Fort McMurray; **Joseph Layton**, contractor and developer in Bonnyville.

Law Enforcement Review Board ...

● **Barbara Veldhuis** designated chair for a three-year term ● **Kathy Grieve** reappointed for a term to expire in June 2009.

Other appointments ...

● **Don McDermid**, former RCMP assistant commissioner in Alberta and author of a 2004 report on traffic safety in the province, as a member of the Fatality Review Board ● Former Edmonton mayor **Bill Smith** as a member and vice-chair of the Premier's Council on Alberta's Promise ● Judge **Albert Chrumka** of Edmonton as a part-time judge of Provincial Court of Alberta.

Insight into Government

is published at least 40 times annually by

MSL Publishing Ltd.
11741 - 29 Avenue
Edmonton, AB T6J 3P3
Phone: 780.479.7084
Fax: 780.474.0277

Internet website: www.insightalberta.ca
E-mail address: mark@insightalberta.ca

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ISSN 0849-567T

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Insight Into Government
Publisher and editor: Mark Lisac

Founding publisher: Rich Vivone, 1986-2005

Talk ...

... in the Corridors

CHILD CARE

How to make them notice ...

● Budget announcements have turned into at least a three-week event. There's pre-positioning, the budget speech, and then a rollout of announcements based on the budget.

This week saw Children's Services Minister **Janis Tarchuk** featured in a major child-care announcement that elaborated what was already there on April 19.

It worked. Tarchuk got big media play and the government came across as committed to improved child care. The event was a lesson in communications strategy.

The 2007-08 budget contains \$134 million for child care. That was clear on April 19.

This week's announcement laid out some details — \$5.6 million in improved child-care subsidies, \$2 million in a new fund to help cover start-up costs, and \$400,000 to pay for \$5,000 bonuses to help attract former staff back into the industry if they agree to stay for two years.

Other new steps had been announced before April 19 — staff wage top-ups and aid for Fort McMurray.

So there were three major announcements all based on the same budget.

Now look at how the numbers were played. The \$134 million was described as: "The Alberta government is investing close to \$16 million towards creating more child-care spaces ... (etc.)"

It's true the budget provides \$16 million more than actual spending for child care last fiscal year. But that's a comparison with the final forecast for last year. The government initially budgeted \$147 million for child care in 2006-07 (less was spent because of slow takeup). So this year's spending could also legitimately have been described as a \$13-million decrease.

Talking about a decrease would disregard the larger picture, however. Spending this year is **almost double the \$78.3 million** actually spent on child care in 2005-06.

The government has received a big message from parents that child care is very important to them. Those parents want more than just the financial subsidy the federal government tried to offer last year. The province is delivering — but it wants to extract maximum political credit for delivering. Their biggest problem now is how to explain to staff who never left the industry why they're not getting a \$5,000 bonus too.

Lost in the details of the Children's Services budget is an impressive move on fetal alcohol spectrum disorder. Another step in a 10-year plan puts spending this year at \$9.5 million — nearly double last year's level and fully double the budget for 2005-06.

MLA SALARIES

Grass is greener next door ...

● An independent commission has recommended that British Columbia legislators receive a 29% raise to a basic salary of \$98,000 a year (about \$20,000 more than Alberta MLAs, although Alberta MLAs get one-third of their total tax-free). The same report says B.C. Premier **Gordon Campbell's** salary should rise by 54% to \$186,200 a year. Ontario Premier **Dalton McGuinty** makes \$200,000.

Campbell has endorsed the raise in B.C.; so have his Liberal MLAs. Ontario legislators already took a big raise last fall to about \$110,000 a year. It's guaranteed that teeth will start grating in the legislature offices here. But bet on any suggestions for a reconsideration being held off until after the next election, now apparently likely next spring.

The B.C. report also recommends restoration of a full MLA pension plan, which was ended in 1996.

SECURITIES REGULATION

Two messages from the premier ...

● The Alberta government has been solidifying the creation of a "passport" system for securities regulation in Canada. The idea is that each province continues to run its own show, but with harmonized rules and with all provinces accepting one another's registrations.

That still doesn't satisfy much of corporate Canada, including major Alberta corporations. Executives like the simplicity of national regulation, as practised in most of the industrial world. There are also continuing questions about how well the provincial commissions actually monitor and enforce regulations.

Where does Alberta really stand? Premier **Ed Stelmach** was in Toronto this week. The Globe and Mail ran a long story headlined Alberta Says No to Single Regulator and quoting the premier as saying, "We're supporting the passport system and we will continue to do that — and that is the position of the province of Alberta." The newspaper said that appears to quash Finance Minister **Lyle Oberg's** musings earlier this year about possible national regulation.

But in an interview with BNN Television, the business news network with corporate ties to the Globe, Stelmach offered different nuances.

He said there will be difficulty getting to a national regulator because of objections from Quebec; Alberta supports the passport system "at least for the time being." Then he said that discussions will go forward "but for the time being we support the passport system."

Finally, asked if a national regulator is the easiest approach, he replied, "And who knows? We might even locate it in Calgary or in Edmonton."

This is a work in progress.

Thanks to all the readers who responded to the survey on Insight's design and contents. We'll make a couple of small design tweaks but subscribers generally like the current package.