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# Insight

into Government

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## INSIDE THIS WEEK

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## RUN-UP TO ELECTION

### REDFORD TAKES A STROLL, WHILE OTHER LEADERS FLAIL

Photo ops and announcements are flowing as the government hands out pre-budget gifts and stores up goodwill before it has to tackle deficit and health issues ... the preparation has been careful and everything is lining up nicely for the premier

**Y**es, the spring election campaign is underway for all practical purposes, even if Albertans don't yet know the actual voting date. The pace picked up considerably this week.

A cabinet tour hit locations around the province.

Premier **Alison Redford** was immediately rewarded with photos of her holding a child at the Edmonton children's hospital, one of the cavalcade's first stops. Announcements of new seniors' centres and other benisons fell like the gentle rain from heaven.

Redford had the grace to smile as she assured reporters this was just another tour like those that have preceded other legislature sessions. She has a sense of humour about playing the game.

The most telling aspect was the choice of locations — heavy on hospitals, other health centres and educational institutions.

Alberta politics still revolves very much around delivery of public services, many of them symbolized by buildings.

The buildings are among the rare pieces of tangible evidence that cabinet ministers and MLAs can point to as a way of showing what government does.

They also deliver an implied second message: electing MLAs in the governing party helps get these good things delivered.

The emphasis on health and education also said a lot about what the Progressive Conservative campaign will look like.

Redford made families the centre of her leadership campaign

## POLITICAL PULSE

POLL

### LANDSLIDE WINS MAKE A HUGE DIFFERENCE

**A**Leger Marketing poll that put PC support at 53% prompted comment that other parties will be left scrambling merely to see which of them becomes the main opposition voice.

Actually, the consequences of any landslide victory go much deeper.

The Conservatives have generally run at about 44% support in recent years.

Except for a couple of suspect, out-of-trend surveys early in 2010, they have not fallen out of majority government territory since polling in late 1992.

Even at 44%, a splintered opposition would leave the PCs with about 65 to 70 of the 87 seats available this spring under the new constituency boundaries.

At 53%, they could be expected to win more like 80 seats. A dozen seats more for the government and less for the opposition may not sound like much.

In practice, it would change the scale of the election results.

The legislature does not operate on the basis of parties when results are badly skewed. It depends on individuals.

In that case, an opposition presence requires strong-minded, capable MLAs willing to take on unusually heavy work burdens in exchange for little reward.

If only half a dozen or so opposition MLAs are left after the spring election, representing three different parties, what will they be like? Even if they're good, question period will survive but scrutiny of bills and budget estimates will suffer. Committees will become one-sided.

The parties themselves would fail to qualify for research funds; they would have to depend on government generosity.

The poll results — and a statement by Brian Mason that his New Democrats have moved toward the moderate "centre-left" — show the NDP and especially the Conservatives fattening at the Liberals' expense. Some PC candidates could easily fit into a Liberal campaign (some have in the past), but power attracts.

It's a huge joke to everyone but the Liberals: they seem to be near the centre of Alberta political preferences, but they're the only party not benefiting from that.

Poll findings can shift, of course. The new Better Way Alberta campaign could force the NDP and Liberals into territory they'd rather avoid. A bad health inquiry finding could damage the PCs.

last fall. This week's choice of event locations and photo opportunities suggests she will go back to voters with essentially the same message — a promise of good health care, education and services for seniors.

All she will have to do first is finesse a budget deficit and a likely tough report from the Health Quality Council on physician intimidation. The plan: submerge the bad news in a flood of good.

Everything, including a poll for Postmedia newspapers showing the PCs at 53% support, is lining up for a lopsided win. Alberta could return to being a place with one governing party and a scattering of protest groups.

Setting the PC campaign foundation in place was only part of this week's fast run-up to the campaign.

### The opposition parties ...

The Liberals, Wildrose Alliance and New Democrats all ramped up their activity levels. News releases are being pushed out every couple of hours.

The Liberals took on causes like the state of ambulance service, which has been the subject of warnings by the Health Sciences Association of Alberta in recent months.

The government acted to blunt the union's and Liberals' criticism. Health Minister **Fred Horne** announced the hiring of several paramedics and emergency medical technicians in Edmonton, and plans for construction of new ambulance stations.

The Wildrose Alliance found and attacked several new cases of apparently illegal contributions to the Progressive Conservative party by publicly owned or funded bodies. (The Liberals went after this, too).

One of the prime Wildrose themes will apparently be a need to restore democratic values — but Alberta voters rarely pay much attention to this. Party leader **Danielle Smith** has also started weekly "town meetings" by phone.

The New Democrats kept hitting hard at what they call the failures of electricity deregulation.

### The outsiders ...

The Alberta Federation of Labour and Public Interest Alberta launched a \$200,000-plus campaign titled Better Way Alberta to press for higher oil and gas royalties.

This is a strategic effort to affect the election without running afoul of the new law that severely limits third-party advertising during the official 28-day campaign period.

**Gil McGowan**, AFL president, is unabashed about the intent. The two groups want to pre-empt the theme that Alberta has run into deficit trouble because of spending alone — a view accepted by Wildrosers and some PCs.

"We were afraid that if we didn't launch a campaign, the conversation during the election would be driven by people like Danielle Smith and the Wildrose Alliance," McGowan said.

The campaign essentially rests on two numbers. The AFL and PIA released analyses claiming that the government's total share of resource revenue through taxes and royalties fell from about 40% in the Lougheed

era, to about 20% in the Klein era, and down to about 10% under former premier **Ed Stelmach**.

And they say that popular support for higher royalties has been grossly overlooked in the energy industry's successful fight to roll back some royalties that were raised by the Stelmach government. In late 2007, about 85% of Albertans supported royalty increases in some opinion surveys. McGowan says new polling for this campaign found support remains at about 70%.

Only the New Democrats would be clearly onside. But they may or may not want this to be a central issue.

NDP Leader **Brian Mason's** main evidence for his claim that the party has become more moderate is that it supports well planned oilsands development, while demanding more upgrader projects. How well does a call for higher royalties fit in with his image remake?

### The candidates ...

The PC slate will be filled within days. Final nominations are raising nearly as many questions as they resolve.

**Wendelin Fraser** won in Calgary-Fish Creek after stepping down as dean of business at Mount Royal University. She said she was attracted by seeing Redford put the "progressive" back into Progressive Conservative.

**Akash Khokhar**, a young Edmonton lawyer and restaurant owner who won this week in Edmonton-Centre, is also cast in the Redford mould: he stresses health and education, and he's seen life outside Alberta, through his university days in California and Toronto.

They are among the very few PC candidates who seem close to the premier's image.

Most are veteran MLAs or standard-issue local political and business leaders. All of these people seem capable, but few reflect Redford's aura of something new.

The other oddity: occasional signs of lack of interest.

Five motivated candidates ran in Calgary-West, the classic true-blue Conservative constituency (see Pg. 6). Yet the voter turnout was 804 — fairly anemic given the personalities and the stakes.

Khokhar beat a capable rival by a vote of 70-56.

In Sherwood Park, six people ran but only 535 party members voted. (Former Strathcona County mayor **Cathy Olesen** won by a single vote; there were rumours she was put over the top by the last-minute discovery of five ballots that had been missed in the first count.

There are possible explanations. Late resignations by MLAs left only three or four weeks to campaign in places like Sherwood Park and Calgary-West. There's been a trend toward non-voting: the 2008 election turnout was 40.6%; about 70,000 fewer people voted in last fall's PC leadership campaign than in the 2006 leadership.

Sporadic weak spots still create doubts, however. They suggest a level of instability underneath the Conservatives' dominant position going into the election.

But they could reflect the disengagement that usually follows years of single-party rule anywhere; the dominant party usually does well in that situation.

## SOCIAL POLICY

## FIRST STEPS IN THE RETHINK POINT TO VERY BROAD GOALS

*One task will be to mesh advice from consultations with the premier's clearly expressed objectives*

**T**he government will make decisions in a number of major policy areas before the election. Two will apparently be addressed through public consultations after the election — long-term fiscal policy and social policy.

A rework of social policy has been on the radar since the old Children and Youth Services and Employment Departments were merged into the large Human Services Department in October.

It wasn't clear what was intended other than a desire to rationalize programs for children and families.

The government plans to issue "an outline of the purpose and core elements of a social policy framework" next month.

The framework itself will be developed after the election and is supposed to be in place by fall.

Nonprofit groups received a draft discussion guide toward that end last week.

**The draft guide suggests that key concepts** "may include self-reliance, dignity, equal opportunity, shared responsibility and community cohesion."

The language strongly echoes statements made in a 1988 social policy statement called *Caring and Responsibility*.

It faded under the financial pressures of the early 1990s. Some of the 1988 language and ideas re-emerged in November 2001.

Five Conservative MLAs led by **Thomas Lukaszuk**, now the minister of education, conducted a "low-income review" and recommended several ways to improve the lot of poorer Albertans.

The 2001 review recommended: consolidating programs; offering more support to people with low-income jobs; integrating benefits for working-poor families; rent supplements; interdepartmental co-operation.

Some of these ideas were applied on an ad-hoc basis over the years; some were put on hold indefinitely.

The new initiative seems designed to extend some of the 2001 work, incorporate work that's been done outside the government, and meet rapid changes in demographics.

**One big factor is the possible reliance** on businesses and nonprofit groups to deliver more services. Premier **Alison Redford** talked during her leadership campaign about: local decision making; transferring services to community groups or privatizing them (within six months); limiting Human Services funding increases to the rate of inflation plus population growth; introducing "social impact bonds" to let investors create services and be repaid from the resulting savings to government.

That highly specific list suggests the discussion is

not quite wide open, no matter what the contents of any discussion guide sent out from Human Services Minister **Dave Hancock's** office.

The project is also being led by a senior manager who raised eyebrows among community groups when he told a conference late in 2010 that the province's poverty reduction strategy centres on training and employment.

**But it is still stirring hope among** a number of nonprofit organizations, for a number of reasons.

First, nonprofit and community groups have taken the lead in some areas over the last several years.

Nonprofits and municipal governments in Calgary, Lethbridge and Medicine Hat are attracting attention for their work. Putting more into their hands may be widely seen as a positive development, as long as they're not stranded financially.

Second, the government gives every sign of being serious about interdepartmental co-ordination, which was one of the areas that stalled after the 2001 review.

Third, the emphasis on population diversity speaks to the realities being encountered by nonprofits every day.

Families from war-torn African countries, for example, face far different challenges than immigrants from more stable backgrounds. And aboriginal children continue to show up in many social service files.

Fourth, the approach to homelessness and many other areas, including justice and health issues, has moved steadily toward a recognition that many apparently discrete problems are tangled together. The new policy will be built on that basis.

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## MORE STUDIES FOR EDUCATION

**T**he Nov. 26-Dec. 9 consultation on schools yielded a plan to study 10 issues separately from the Education Act to be debated in the legislature this spring.

Topics will be: cutting travel time and exploring technology use for students who ride buses for more than an hour; finding ways to earn high-school and post-secondary credits at the same time; designing schools for more community use; co-ordinating construction of playgrounds and schools; reducing administration for charter schools; working more closely with the federal government on First Nations schools; creating "a stronger voice for parents"; providing "better information" about the system; reviewing provincial achievement tests; examining the operational needs of full-day kindergarten.

The Alberta School Councils' Association welcomed many aspects of the plan. Public Interest Alberta dismissed it as a "study guide." PIA chair **Larry Booi** said further study of achievement tests delays action on an issue where there's already been considerable debate.

The undisputed point is that the exercise let Education Minister **Thomas Lukaszuk** put his stamp on the portfolio. It's an example of why MLAs want to be in cabinet.

## Committees ...

### SENATE ELECTIONS ARE COSTLY, FOOD AT MEETINGS MAY BE FREE

#### Strong advice for the child advocate ...

● Recently appointed child and youth advocate **Del Graff** asked the legislature's committee on legislative offices for money to match the wider mandate he's been given in a bill that was passed last fall. The bill is expected to come into force with proclamation this spring.

It will make the advocate an officer reporting to the legislature rather than to the minister responsible for children's services; it also gives the advocate's office new powers to conduct public inquiries.

Graff asked for \$11 million for 2012-13, up from a budgeted \$7.1 million and actual \$8 million in 2011-12. The increase will allow his 40-member staff to rise to 55.

The current budget allocation has stayed level for three years. It has resulted in reduced services and a nearly \$1-million shortfall for 2011-12; the shortfall is being covered by the Department of Human Services.

**Rachel Notley (ND, Edmonton-Strathcona)**, supported by **Laurie Blakeman (L, Edmonton-Centre)**, told Graff he might be shortchanging the office by basing his budget request on what it has done in the past. Notley said financial limits could limit the office's new public inquiry powers: "By all means, ask for more money."

Both MLAs warned him that it's difficult for legislature officers to increase their budgets significantly once a baseline budget has been set.

**Iris Evans (PC, Sherwood Park)**, who years ago was minister for children's services, said it will be important to track whether the 2012-13 budget is sufficient.

She said she'd be surprised if the advocate could not successfully ask the Human Services Department for more in-year money for investigations and other purposes.

Then she added: "But I'd also be really disappointed, and I'm going to freak out here if I'm going to hear from you that we're suddenly going to be doing things that are better because, damn it, I think that the advocate's office was doing the fullest of their capacity under any advocacy role that I interfaced with.

"And if suddenly you're going to be better because you're in front of the legislature, that's going to drive me nuts. Because it's going to say we've been letting children down forever just simply because we haven't been reporting to the legislature."

Notley retorted that the advocate's budget has been frozen for the last three years, and that the mandate of the office is changing.

Graff said the office does certain areas of work such as advocacy well. He said the office has had the ability to provide special reports on topics of urgent interest but has

not done so in the past. He said that kind of activity "needs to be undertaken in a more substantive way."

#### Senate election expected to cost \$3.1 million ...

● Chief electoral officer **Brian Fjeldheim** successfully asked the legislative offices committee for \$3.1 million to run an election for "senators in waiting."

The premier announced last week that an election will be held for three "Senate nominees" in conjunction with the coming provincial election — two nominees for vacancies expected in Alberta Senate seats in the next six years and one in case a senator retires early (the unspoken other contingency being a vacancy caused by death).

Fjeldheim told MLAs the election will cost an estimated \$1.5 million more than the \$1.6 million spent on the last Senate election in 2004 — \$800,000 more to cover higher workers' fees and a 20% increase in the number of polling stations, and \$700,000 more to cover higher advertising and printing costs.

**Hugh MacDonald (L, Edmonton-Gold Bar)** and **Paul Hinman (WA, Calgary-Glenmore)** balked at higher advertising costs. They said the office should be able to trim those costs and they voted against the budget request. The majority Conservative MLAs approved it.

#### Heritage Fund: a silver lining to losses ...

● The MLA committee on the Heritage Savings Trust Fund heard deputy finance minister **Tim Wiles** confirm the second-quarter 2011-12 financial update that was released near the end of November.

The Fund had a "fair value" of \$14.7 billion as of Sept. 30 after recording \$134 million in investment losses, largely owing to stock market shocks resulting from the European debt crisis. The fund lost less than benchmark equity indexes.

However, **Leo de Bever**, CEO and chief investment officer at Alberta Investment Management Corp., which manages the Fund's assets, identified a bright side.

He told MLAs the European crisis has had some useful fallout in the form of European institutions withdrawing from some investment markets and leaving the field to others like AIMCo: "We're seeing some opportunities we wouldn't have seen two or three years ago."

Wiles told the committee it's possible for staff to deliver regular reports on the inflation-adjusted, per-capita value of the Fund. **Kevin Taft (L, Edmonton-Riverview)** had asked about that at the previous committee meeting.

Members accepted Taft's motion to have the information included in the Fund's annual reports.

● Taft also apparently persuaded MLAs and committee staff to look into an idea he said someone had raised with him to increase the turnout at the Fund's annual public meetings, which notoriously draw sparse attendance: shift some of the advertising budget to **purchase of food to be offered free** to anyone at the meetings.

There's a reason why a number of bar bands call themselves Free Chicken and Beer, or Free Beer and Chicken.

# Cabinet ...

Recent appointments  
and highlights from recent cabinet orders

## Appointments ...

● **Darren Aldous**, village councillor at Breton and past president of the Alberta Urban Municipalities Association, as a member of the Local Authorities Pension Plan Board of Trustees ● **Randy Dunlop**, owner of a heavy-truck dealership (Dunlop Western Star) in Lethbridge, to the board of governors of Lethbridge College; **Crystal Fafard**, lawyer and chief executive adviser to the Onion Lake Cree Nation, to the board of Lakeland College ● **Vesna Higham** and **Jim Gendron** to a list of public members who may sit on complaint review committees and hearing tribunals of the College of Alberta Professional Foresters and the College of Professional Forest Technologists.

## Cabinet orders ...

● The amended Vital Statistics Act, passed by the legislature in 2007, is proclaimed into force with attendant regulations, effective May 14. It brings some major changes. People will be allowed to name their babies according to cultural traditions that do not follow the norm of giving babies their fathers' last names — for example, people will be able to use a grandparent's last name as in some North American aboriginal practice, or the father's given name as the baby's last name as in parts of North Africa. Anyone over 12 who requests a name change will be required to have fingerprints taken by a law enforcement agency. Longer privacy periods will apply in genealogy research because of longer lifespans. New requirements will apply for reburial permits to prevent health risks posed by disinterred bodies.

● Regulations for the lamb and pork producers' marketing bodies were changed. The lamb producers will operate under slightly amended rules for requests for financial information. Farmed wild boars are added to pork producer regulations, among several other administrative changes.

● Lengthy technical changes have been made to rules governing calculation of oilsands royalties.

● Legislation from last fall giving new inquiry powers to the Health Quality Council of Alberta have been proclaimed into effect as of Feb. 1.

● Most of the 2010 bill amending the Wills and Succession Act has been proclaimed into force, effective Feb. 1.

● An annexation order was approved adding parts of two quarter-sections from the County of Northern Lights to the Town of Peace River as of Jan. 1.

● Land near Lesser Slave Lake has been designated as Hilliard's Bay Provincial Park.

● A disaster has been declared to allow as much as \$1.5 million in assistance to help repair damage caused by flooding in Lacombe and Lacombe County last July.

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# Talk ... ... in the Corridors

## ENERGY & ENVIRONMENT

### An unheralded backroom adviser ...

● At least some members of the environmental monitoring panel that reported to then-minister **Rob Renner** last June were anticipating, or hoping for, action late this week.

They recommended creating an independent, science-based monitoring commission whose work would begin in the oilsands region and later expand to other regions of the province. They also called for public reporting of data and increased aboriginal input into monitoring system design.

A basic agreement on how to proceed has apparently been negotiated between Ottawa and Alberta. There had been some thought it could be finished and released this week. There's still time (Insight is published on Friday morning) but the week is running out.

The 12 members of the Alberta panel, co-chaired by former TransCanada Corp. CEO **Hal Kvisle** and former University of Lethbridge president **Howard Tennant**, have been wondering why seven months have passed with no decision on their report when it took them only five months to do their work.

But one related item is certain.

This file does not exclusively belong to Environment Minister **Diana McQueen** or her staff.

It's being run by **Annette Hester**, a largely unknown figure who worked as a policy adviser on Premier **Alison Redford's** leadership campaign last year. She also recorded a YouTube video endorsement of Redford. She later took part in the transition team that organized Redford's assumption of office in October.

She has since quietly started contract work as an adviser to Executive Council (the cabinet office) on matters related to energy, environment and economic development.

Hester met some of the panel members this week for a "workshop" that examined some matters and sought clarification on others. It was called by the deputy environment minister and included some federal officials, but Hester was the only Alberta government presence.

Accounts of what happened vary wildly — from a description of a low-key "factual discussion" to a report of dismay among some participants that they were dealing with a hired consultant they'd never heard of.

Whatever the case, Hester seems to loom large in one of Redford's most important policy initiatives, the merger of energy development with environmental action.

Insight hasn't been told how Hester came to the premier's attention. Raised in Brazil, she has a background in trade, oil and gas regulatory issues, and in "corporate social responsibility." She was founding director of the

Latin American Research Centre at the University of Calgary. Before last fall, she was associated with the Centre for Strategic and International Studies, a high-powered, nonprofit and nonpartisan think tank in Washington, D.C.

We're also waiting for word on whether other policy advisers are working under contract in the cabinet office.

Hester's presence meanwhile reaffirms Redford's tendency to centralize important policy functions.

## CAMPAIGN TEAM

### The guy who wrote the book ...

● **Tom Flanagan**, who teaches political science at the University of Calgary, was a Reform Party policy adviser and then a federal Conservative campaign manager. He put his campaign experience into a book, *Harper's Team*.

Now he's the Wildrose Alliance provincial campaign manager. In addition to having an experienced hand at the helm, the appointment reconfirms the known preference of a number of federal Conservatives for the Wildrose.

The other bit of good news for the party this week: while a Leger Marketing poll is putting them down into NDP-Liberal territory, a recent poll by Forum Research has them a respectable second at 29% support. It should be noted, however, that Leger has a longer track record in Alberta politics and was accurate in the 2008 election.

## NOMINATIONS

### Ground games are needed to win ...

● Two Conservative MLAs (**Broyce Jacobs** in Cardston-Taber-Warner and **Art Johnston** in Calgary-Hays) have lost nominations to challengers. Incumbents usually survive challenges; they haven't been elected by accident.

That's part of what seems to have happened to **Ken Hughes**. He has strong credentials and seemed to be aligned with Premier **Alison Redford**, both in thinking and in a past in federal PC politics of the Clark-Mulroney era (he was the MP for Macleod from 1988 to 1993).

So Hughes was automatically regarded a likely winner when he resigned as Alberta Health Services chair at the end of December to run in Calgary-West, where Finance Minister **Ron Liepert** is stepping down.

Last weekend he was defeated by **Shiraz Shariff**, MLA for Calgary-McCall from 1995 to 2008. The result may have reflected dissatisfaction with health services.

It certainly served as a reminder that politics plays out on the ground, and that candidates need local support.

The other strong reminders: 73-year-old MLA **Ty Lund** had an easy 832-214 win over a credible challenger in Rimbey-Rocky Mountain House-Sundre, and **Bridget Pastoor**, who defected from the Liberals two months ago and is 71, survived a challenge in Lethbridge-East.

Local government remains a good political launch pad. Strathcona County stands out as a prime example this year. Former mayor **Cathy Olesen** won the Sherwood Park PC nomination, besting a field that included county councillor **Brian Botterill**. Fellow councillor **Jacque Fenske** won the party's nomination in Fort Saskatchewan-Vegreville.