

Ric Dolphin's

# Insight

into Government

Alberta's independent newsletter on government & politics

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R.I.P. RALPH KLEIN

## THE NDP BUDGET: MOVE OVER AND LET US SPEND

**Alberta's first socialist gov't goes for the gusto with deficits and debts that no doubt have poor Ralph twirling in his grave. There's no choice, they say, its either this or "slash and burn" the teachers and nurses. And who would want that?**

Initial impressions of the "first" NDP budget: Dippers will love it. Plenty of spending on social work, taxing all and sundry to save the planet (but rebating it to low-earners in true leveller style), keeping the raises for the public service unions, and running great big, beautiful deficits, year after year, that will dung-beetle their way to a record breaking \$57B in debt by 2020....

Well, by jingo, what isn't there to love?

And sure those —what did Rachel call them at last week's NDP convention?—knuckle-dragging, climate-denying, science muzzling, moustache-twirling, mouth-breathing, kitten-stomping *conservatives* (we're going from memory) might be burdened with this reactionary aversion to deficit and debt. But those guys are so stuck in the nineties, so stuck up **Ralph Klein's** cold, dead ass, that they don't realize that deficit spending is something you do because, as Justin so eloquently put it, *this is 2016*. Ten-billion-dollar deficits? *Hey, they're just numbers, dude.*

And as Rachel and Finance Minister **Joe Ceci** keep on telling us over and over: it was either run big deficits and spend big on "job creation," welfare, infrastructure, and green initiatives, or "slash and burn" teachers and nurses—or at least their jobs—which is just what those *conservatives* would do given half the chance.

Remember when they were doing it, union brothers and sisters? Well, it's payback time.

Luckily they won't have a chance to do anything but rage impotently from the opposition benches for at least three more years—like they're already doing in their pointless press releases. What's that you say, Mr. Jean?

"The NDP gov't's budget is making things worse by slamming families with \$58B of debt that will mean \$2,000 per family for interest payments, and a punishing new carbon tax that unfairly targets working families for another \$1,000 per year."

Most original, thank you very much. And how about you Mr.

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## POLITICAL PULSE

THE LOYAL OPPOSITION

### AGAINST AN ORANGE WALL, JEAN DOES WHAT HE CAN

There always seems a large element of futility in the exertions of the official opposition, be it from the Liberals or NDP when they faced that impregnable massif of Tories, or now for the 23 members of the Wildrose Party required to fling their little spears at the orange wall that face them. *Ting! Ting!*

However, Her Majesty's Loyal Opposition has a job to do (i.e. oppose) and a decent budget with which to do it, and therefore the party emits daily news releases and feels it incumbent upon itself to counter every gov't initiative. Some of these even get noticed by the press.

Thus on Tuesday we were treated to Wildrose Leader **Brian Jean** delivering his own ten-minute television address on Global TV after the six o'clock news in response to Rachel Notley's pre-budget address on the previous Thursday (*Insight* Apr. 9).

Rachel's speech was flat, with bad production values; Brian's, a bit better but not much. She got 350K TV viewers province wide; he got 250K.

Unlike Rachel, he kept his gaze on the camera, though the camera was too close, and the unblinking blue eyes that one could detect following the text on the teleprompter proved a distraction. And there's something about those jug ears with that short, gelled red hair... But Jean hasn't the sort of ego that could tolerate an image consultant.

Cosmetics aside, Jean's was a reasonably credible "I feel your pain" kind of speech, that began with the "family tragedy" (a son's illness and ultimate death) that caused him to quit federal politics and run provincially. Next he moved on to his roots in Fort McMurray, thence to the hardships faced by the oilsands workers.

Hardships, of course, that are being exacerbated by the callous disregard of the Liberal gov't in Ottawa (pipeline delays, an unfair EL system), and Notley's "\$3 billion carbon tax."

"But do not allow hope to lose out to fear," he said. "Your official opposition will never be ashamed to fight for our oil and gas sector and all industries in Alberta, to speak plainly on the need for pipelines, to stand up for workers in manufacturing, farming, refining, the arts, and for our entrepreneurs."

Which brought him to his favourite subject: the NDP gov't's handling of the economy.

He mourned the passing of the debt-free province, the raising of taxes, and the refusal of the gov't to make significant cuts to spending. How was it, he wondered aloud, that the BC gov't could get by on 20% less spending.

And he pushed his party's "12-point jobs action plan" as a means of saving \$2B a year and restoring the "Alberta Advantage."

With the NDP firmly ensconced for the next three years, such statements and initiatives have little impact. But just over a year ago, the same could have been said about the NDP.

McIver? anything new?

“There’s no question that Alberta is facing serious challenges when it comes to our provincial finances—challenges made worse by this gov’t’s reckless spending and a complete lack of a debt repayment plan. The Alberta our children and grandchildren were born into and the one they will grow upon are worlds apart, and we should all be very concerned about how this gov’t’s choices will impact their futures.”

Thank you both, now go off and fight or unite or whatever it is you conservative Neanderthals do these days. We have money to spend and time to spend it...

For as Joe put it at his pre-budget presser on Thursday, it’s “pedal to the metal” time for spending and the rapid application of the NDP agenda.

Reporters kept asking, would he turn his hand to reducing the deficit and paying off the debt? This was not something to be worrying about now, he said. “We will not make the choice of balancing our books and reducing our debt on the backs of Albertans. We will make the choice of carrying Albertans until we can see our economy improve.”

Pressed, Joe states, “I will be balancing the budget by 2024.” Right at the start of Dipper gov’t’s third term. *Yeah!*

Someone else asked if it concerned him that Alberta’s Triple A credit rating might be in jeopardy. Following the October budget, when the deficit was \$6B and actual legislation had been passed to hold the line on the debt-to-GDP ratio at 15%, several bond rating agencies had put Alberta on notice.

What, asked our friend from the capitalist press, would those agencies think of Budget 2016 with its \$10.4B deficit, and its forecast of a 15.5% debt-to-GDP ratio by 2018-2019, requiring a repeal of last fall’s legislation?

“We are in a different situation than we were six months ago,” said Ceci. “Our economy has changed dramatically.”

Indeed, resource revenue is predicted to be \$1.4B for 2016-17, half of what it was in the last budget. So why even pretend you can plan to eliminate the deficit? Best just to borrow like crazy just to cover operations—\$5.4B this year; \$8.4B next—and pray to St. Tommy that the oil price comes back before the next election. It always has, hasn’t it?

Joe maintains that Bond rating managers merely want to know that “you are dedicated to the plan you put before them.” In the October budget, he told the agencies that the deficit would be \$6B and it was.

The gov’t now plans to stick to an average 2% spending increase over the next three years, facilitated in part by a freeze on management salaries, the consolidation or elimination of a few agencies boards and commissions. The minor savings are coupled with plans for job creation, economic diversification, and the continuation of the five-year \$34.5B infrastructure build that was recommended by former Bank of Canada governor **David Dodge** last fall.

“They will see we are staying to the fiscal plan we laid out before them and not anything else...,” says Ceci of the credit agencies—hopefully. Wasn’t it **Alison Redford** who equated debt with hope? Well, even a broken Tory clock is right twice a day.

On the day after the budget, the Dominion Bond Rating Agency downgraded the province’s rating from AAA to AA (high), saying, “significant upcoming deficits, reflecting Alberta’s weakened fiscal circumstances, and rising debt levels are credit negative for the province and will exert growing pressure on its rating.”

## The budget is titled “The Alberta Jobs Plan,”

and Ceci insists that in the three years following 2016—when unemployment is forecast to rise to 8%—100,000 jobs will be created. There are sceptics.

The NDP gov’t’s previous \$178M job-creation plan, announced in the last budget and touted as a panacea, offered employers a \$10K tax break for new hires, but created not a single job. It was cancelled this week.

The only provision in the current budget specific to jobs is a \$250M package that will be distributed in several ways, including:

- \$90M for tax credits to investors backing “eligible small and medium enterprises in Alberta.”
- \$75M for capital investment tax credits available to first-time buyers of “new and used property in value-added agriculture, manufacturing and processing, tourism infrastructure, and culture industries.”
- \$25M for apprenticeships and other occupational training programs.

There is also a reduction in corporate tax for small businesses (i.e. those with revenues of \$500K p.a. or less) from 3% to 2%, giving Alberta, along with Saskatchewan, the second lowest rate in Canada after Manitoba (0%). This may encourage small businesses to hire workers, but it is really designed to counter the effect of the carbon tax (for transportation and heating fuel) on small businesses.

Outside of the specific job programs, Ceci says that other aspects of the budget will also stimulate employment, notably infrastructure spending, which will total \$8.48B this year, and includes \$1.65B worth of school projects, \$952M on roads and bridges, \$1.66B on municipal projects, \$578M on health facilities, and \$233M on social housing.

The minister also believes that another major component of the budget, the Climate Leadership Plan, will create construction jobs in the renovation of homes to make them more energy efficient and in renewable energy companies.

Details of the climate plan, including the carbon tax, are outlined for the first time in this budget. It will begin to take effect on Jan. 1, 2017, when a carbon price of \$20/tonne will be implemented, rising to \$30/tonne a year later.

Outside of the large industrial emitters—which the province expects to pay \$9.6B in levies over five years—consumers and businesses, with some exceptions (e.g. farmers using purple gas) will be required to pay taxes on transportation and heating fuel, over and above the increases imposed a year ago by the **Jim Prentice** budget and adopted by the NDP gov’t.

The provincial tax on diesel and gasoline, for example, was increased by 4¢ a year ago in the Prentice budget to 13¢ a litre. The NDP adds 5.35¢/l to diesel and 4.49¢/l to gasoline on Jan. 1. Those levies increase to 8.03¢ and 6.73¢ respectively the following year.

Natural gas will be taxed at the rate of \$1 a gigajoule next Jan. 1, rising to \$1.52 a year later. The levy on propane will be 3.08¢/l and rise to 4.62¢/l.

The gov’t anticipates net revenues from these taxes of \$330M in 2016-17, \$1.21B in 2017-18, before slightly dropping off to \$2.33B in 2020-21. (The levy, after all, is supposed to discourage carbon production, not serve as a cash cow for the gov’t. Ha-ha.)

The supposedly “revenue neutral” proceeds from the carbon tax will in part be invested

Continued on pg. 5...

# DATA bank ...

# BUDGET & FISCAL PLAN HIGHLIGHTS

Titled "Alberta Jobs Plan," Finance Minister Joe Ceci's second budget, and the first truly NDP creation, is, like the last, being sold as a "shock-absorber" to lessen the jolt of the oil-revenue-created recession. But the fiscal shock of October was but a first tremor in a quake that has shaken Alberta back to the pre-Disco era, resource revenue-wise: \$1.4B—the same as in 1974 (in *unadjusted* dollars). Two years ago resource revenue was \$9.6B.

The 2015-16 budget predicted deficit spending to cover operational expenses, but not until 2017-18. Now it's happening this year, with a \$10.4B operational deficit, \$5.4B of which will be borrowed, the remainder draining the Contingency Fund. The last time the gov't borrowed for operations was in 1994, in the hangover from the Getty era.

The chart below shows how much things have changed in the six months since the 2015-16 budget. The "2015-16 Forecast" shows the figures for the fiscal year just passed, updated at the time of the Third Quarter results in February. These are likely close to the final figures for the year that will be released in May.

(The 2016 budget can be downloaded at <http://finance.alberta.ca/publications/budget/budget2016/fiscal-plan-complete.pdf>)

ASSUMPTIONS (For more details see pp. 60 of budget document)						
ITEM	A: BUDGET 2015-16	2015-16 FORECAST	B: BUDGET 2016-17	% Chg between A & B	2017-18 Target	2018-19 Target
Oil price (WTI, US\$/bbl)	\$50	\$45	\$42	-16%	\$54	\$64
Natural gas price (C\$/gigajoule)	\$2.80	\$2.30	\$2.40	-14%	\$2.80	\$3.00
Real GDP (yr-over-yr %change)	6.3%	-1.5%	-4.3%	-123%	1.9%	2.8%
Employment rate growth	1.6%	1.2%	-1.7%	-206%	0.9%	2.1%
Net corporate surplus change	17.4%	-51.9%	-18%	-203%	48.6%	32.9%
Population growth	1.4%	1.8%	1.2%	-14%	1%	1.3%
SELECTED REVENUE (For full details see pp. 109 of the budget document)						
Personal income tax	\$12.05B	\$11.28B	\$11.4B	-5.4%	\$11.76B	\$12.36B
Corporate income tax	\$4.75B	\$4.97B	\$4.33B	-8.8%	\$4.26B	\$4.82B
Resource revenue	\$2.77B	\$2.47B	\$1.36B	-51%	\$2.78B	\$4.23B
Gaming/lottery revenue	\$1.55B	\$1.55B	\$1.45B	-6.5%	\$1.48B	\$1.51B
Liquor revenue	\$851M	\$854M	\$868M	2%	\$879M	\$895M
Climate Leadership Plan revenue	n/a	n/a	\$330M	--	\$1.21B	\$2.43B
<b>TOTAL REVENUE</b>	<b>\$43.79B</b>	<b>\$42.94B</b>	<b>\$41.38B</b>	<b>-5.5%</b>	<b>\$44.99B</b>	<b>\$49.62B</b>
SELECTED CAPITAL SPENDING (For full details, see pp. 117 of budget document)						
Education	\$1.34B	\$1.06B	\$1.90B	41.8%	\$1.37B	\$836M
Transportation	\$2.10B	\$1.99B	\$1.71B	-18.5%	\$2.11B	\$1.95B
Municipal Affairs	\$1.13B	\$1.13B	\$1.52B	34.5%	\$1.47B	\$1.48B
Health	\$916M	\$809M	\$958M	18.5%	\$1.19B	\$1.33B
Advanced Education	\$876M	\$876M	\$966M	10.27%	\$738M	\$805M
Infrastructure	\$456M	\$260M	\$383M	-16%	\$244M	\$191M
<b>TOTAL CAPITAL SPENDING</b>	<b>\$7.86B</b>	<b>\$6.90B</b>	<b>\$8.48B</b>	<b>8%</b>	<b>\$8.26B</b>	<b>\$7.87B</b>
SELECTED EXPENSES (For full details, see pp. 109, 41,111, & 125 of budget document)						
Health	\$19.61B	\$19.85B	\$20.36B	3.8%	\$20.93B	\$21.26B
Education	\$7.58B	\$7.62B	\$7.91B	4.5%	\$8.07B	\$8.21B
Advanced Education	\$5.82B	\$5.76B	\$5.90B	1.5%	\$6.04B	\$6.15B
Human Services	\$4.17B	\$4.19B	\$4.40B	5.5%	\$4.53B	\$4.59B
Debt servicing costs	\$778M	\$775M	\$996M	28%	\$1.43B	\$2.0B
Public sector compensation costs	\$24.78B	\$24.96B	\$25.21B	2%	\$25.64B	\$26.05B
<b>TOTAL EXPENSE</b>	<b>\$49.90B</b>	<b>\$49.33B</b>	<b>\$51.10B</b>	<b>2.4%</b>	<b>\$53.62B</b>	<b>\$55.99B</b>
Contingency fund used (remaining)	\$3.24B (\$3.29B)	\$2.73B (\$3.79B)	\$3.79B (\$0)	17%	0	0
<b>DEFICIT</b>	<b>\$6.12B</b>	<b>\$6.39B</b>	<b>\$10.42B</b>	<b>70%</b>	<b>\$10.31B</b>	<b>\$8.35B</b>
<b>DEBT/BORROWING (% of GDP)</b>	<b>\$18.94B (5.7%)</b>	<b>\$20.02B (6%)</b>	<b>\$30.51B (9.6%)</b>	<b>61%</b>	<b>\$45.16B (13.1%)</b>	<b>\$57.61 (15.5%)</b>

# BILLS BEFORE THE HOUSE THIS WEEK

(For more detail go to: [http://www.assembly.ab.ca/net/index.aspx?p=bills\\_home](http://www.assembly.ab.ca/net/index.aspx?p=bills_home) )

Bill	Title (Sponsor)/Status	P U R P O S E	Q u i b b l e s
1	<i>Promoting Job Creation &amp; Diversification Act</i> (Bilous); passed 1st reading	The gov't's flagship bill read following the Throne Speech is essentially a mandate letter setting out the duties of Economic Development & Trade Minister Deron Bilous "authorizing" him to "establish programs that focus on supporting working people and job creators, attracting investment and diversifying Alberta's economy."	Criticism from the opposition focused on what they consider the non-prescriptive nature of this bill. PCer Sandra Jansen (Calgary-Northwest) quipped that it "was literally the first time in my memory that we had to pass a law to tell the minister what his job should be."
5	<i>Seniors' Home Adaptation and Repair Act</i> (Sigurdson); awaits Royal Assent	This bill essentially puts the gov't into the home-equity loan business by making it the issuer of low-interest loans of up to \$40K to seniors (65+) for household improvements that allow them to remain in their homes longer. Eligibility requires a minimum household income of \$75K p.a. and at least 25% equity in the home (144K households are eligible). The loan is repaid when the house is eventually sold. Grant money of \$2M p.a. is also available to low-income seniors wishing to make modifications worth up to \$5K p.a. to enable them to stay in their home.	While opposition parties supported the idea of helping seniors age in place, they were critical of the lack of detail in legislation that threatens to create a huge administrative burden by effectively turning the gov't into a banker. Details such as who exactly will administer the program are to be covered in regulations that will be developed between now and when the legislation takes effect on July 1. PC leader Ric McIver also doubted many eligible seniors would take loans, as that would diminish the value of the home inherited by the kids.
6	<i>Securities Amendment Act, 2016</i> (Ceci); awaits Royal Assent	The annual bill that updates and harmonizes Alberta securities law with that in other provinces. In past years the NDP opposition criticized the Tories for resisting becoming part of a national securities regulator, but Finance Minister Joe Ceci has become as bullish as any of his PC predecessors on local regulation. "We firmly believe that our unique capital markets, driven by the enormous needs of the resource sector, are best served by a street-level regulator in Alberta, a regulator that knows the industry and can provide local oversight right here in Alberta, not thousands of kilometres away on Bay Street."	Debate on this bill provided one of the few instances where the opposition and the gov't were in accord. Wildrose finance critic Derek Fildebrandt (Strathmore-Brooks) was particularly tickled to hear NDP MLA Rod Loyola (Edmonton-Ellerslie) previously a union boss, speak of his former career with RBC Dominion Securities as a marketing associate. I'm very pleased to see the Member for Edmonton-Ellerslie is evolving to support capital markets as a principle.
7	<i>Electoral Boundaries Commission Amendment Act, 2016</i> (Ganley); 2nd reading debate adjourned	Authorizes the early appointment of an Electoral Boundaries Commission by Oct. 31, 2016, a year earlier than is currently allowed under the act, which specifies an eight-year gap and two elections between commissions. Last year's early election, however, threw things off and would have meant a commission could not be held until July 2017, which apparently leaves not enough time for it to do its work before the spring 2019 election. The alternative would have been to put the commission off until after the next election, which would have been advantageous to the Wildrose as the number of rural ridings would have remained unchanged during the election. Chances are that the commission will redistribute the ridings to favour the urban areas and thus the NDP. No debate yet, but we suspect the Wildrose may have issues.	
8	<i>Fair Trading Amendment Act, 2016</i> (McLean); passed 1st reading.	This amendment will give the minister more control over the regulatory organizations delegated to oversee fair trading practices and ensure consumer protection in various fields. Currently the Alberta Motor Vehicle Industry Council (AMVIC) is the only such agency and in March of 2015 was accused in a leaked gov't memo of conducting biased investigations and protecting unscrupulous car dealers. The agency also had an extremely high turnover. No debate yet.	
9	<i>An Act to Modernize Enforcement of Provincial Offences</i> (Ganley); passed 1st. reading.	The justice minister's bill would make amendments to the <i>Provincial Offences Procedure Act</i> and the <i>Traffic Safety Act</i> and will streamline how minor provincial laws and bylaws are managed. One amendment would enable the expansion of electronic ticketing for minor infractions, thus saving time and reducing errors. Another amendment would end the jailing of those failing to pay their fines for such minor infractions as public drunkenness, jaywalking, failing to pay for an LRT ticket, or disorderly conduct. Instead the fines will be applied to their drivers' licenses or registration (as speeding tickets are currently) preventing renewal unless paid. No debate yet, though one anticipates the argument that many of the people who get these sorts of tickets don't own cars.	
10	<i>Fiscal Statutes Amendment Act, 2016</i> (Ceci); passed 1st. reading	This act amends several pieces of financial and tax legislation, most controversially the <i>Fiscal Planning and Transparency Act</i> , which had set a debt ceiling of 15% of GDP. No debate yet, but one anticipates heated discussion next week.	
202	<i>Alberta Affordable Housing Review Committee Act</i> (Luff), passed 2nd reading	Creates a three-position committee that would spend nine months studying and preparing a report on the affordability and accessibility of housing in Alberta, including consideration of that NDP favourite, rent controls.	A fair bit of blowback from the opposition on the unintended (and undesired) consequences of rent controls.
204	<i>Alberta Tourism Week Act</i> (Dang); passed 1st reading	A private member's bill from the youngest MLA Thomas Dang (Edmonton-Southwest), which wants the first week in June designated "Alberta Tourism Week." Cuz tourism is important. No debate yet.	

## People ...

### Appointments...

● **Stan Magidson** as chairman and CEO of the Alberta Securities Commission for a five-year term beginning July 4. Since 2010, Magidson has served as CEO of the Institute of Corporate Directors (ICD), and was previously a partner for 15 years with the national law firm Osler, Hoskin & Harcourt LLP, first in Toronto and then for ten years in Calgary. From 2002 to 2008, Mr. Magidson served as Chair of the ASC's Securities Advisory Committee. From 1999 to 2000, he was seconded to the Ontario Securities Commission to serve as Director, Take-over/Issuer Bids, Mergers & Acquisitions. Magidson replaces **Bill Rice**, who is retiring after ten years as ASC chairman and CEO.

● **Sharon Carry**, President of Calgary's Bow Valley College, as a director of the Credit Union Deposit Guarantee Corp. for a two-year term.

● **Gael MacLeod**, a former Calgary councillor (defeated in 2013), to the board of the Alberta Gaming & Liquor Commission for a three-year term.

● **Clifford Bruce Wheatley**, a Moose Jaw, SK, lawyer with a cross-border practice, as an ad hoc justice of the peace for a one-year term.

### Dis-appointments...

● With the gov't's announced dissolution of the Alberta Environmental Monitoring, Evaluation & Reporting Agency (AEMERA) last week, its monitoring and scientific staff will be rolled back into the Environment & Parks bureaucracy, negating the need for a board of governors. Having their appointments rescinded are: Chairman **Lorne Taylor**, the former Environment minister, vice-chairman **Gregory Taylor**, Ph.D, **Mike Beaver**, **Arlin Hackman**, **Sheila Leggett**, P. Biol., P. Ag., ICD.D, **Patricia McCunn-Miller**, LLB, ICD.D, and **Robert Page**, Ph.D., ICD.D.

### Latest lobbyist action...

● **Brad Lavigne** of Forward Public Affairs, Ottawa, and former campaign manager for the federal NDP, is lobbying the Economic Development and Finance ministries on behalf of the Great West Brewing Co. of Saskatoon in regards to the gov't mandated markup on out-of-province beers.

## Corrections & Clarifications

The Saher jinx remains with us. Our latest boo-boo in a story about the Auditor General occurred in last week's piece regarding the extension of **Merwan Saher's** extended term where we had him having been appointed to the post in 1986. Only a quarter century off. That was the year he became assistant Auditor General; his promotion to full AG came in 2010.

### Budget ... from Page 2

in large scale renewable energy projects and "transformative technology;" in green infrastructure like LRT projects; and into a new agency called Energy Efficiency Alberta that will support energy efficiency and micro-generation initiatives.

The rest of the money will cover the small business tax reduction, pay transition costs to communities who will be losing their coal mines or generators, and will pay rebates to lower-to-middle income consumers to compensate them for the fuel levies they pay. The gov't estimates 60% of the population will be eligible for these rebates.

For example, a single adult with a taxable income of \$47,500 or less will get a \$300 annual rebate; a couple with two children with a household income of \$108,250 or less would receive \$540 p.a. The rebate program begins next January.

Another major "pillar" of the budget is the social work component, entitled "Supporting Families in Times of Hardship." It includes previously announced programs such as the Alberta Child Benefit and the Enhanced Alberta Family Employment Tax Credit, which can jointly provide up to \$6,000 a year for a family that is sufficiently poor (\$41K p.a. is the cut off) and has four kids. Both were announced in the last budget, but will kick in this summer.

The unemployable also do better from this budget. Funding for employment and income support (aka welfare) will be increased from \$653M in budget 2015 to \$683M this year—a 4.5% rise. Assured Income for the Severely Handicapped (AISH) funding goes from \$916M to \$978M—an 8% increase. And supports for PDDs rises from \$1.05B to \$1.09B—a 4% hike.

The poor will also benefit from an accelerated social housing build, with \$173M worth planned for this year and \$184M for next.

**While the Alberta budget may not suit those** who quail at the prospect of loading so much debt on tomorrow's taxpayers, or those who fear that the escalating financing costs will have a disastrous effect if oil prices do not recover in the next couple of years, the short term effects on the average citizen are, for time being, relatively benign—especially when compared with another provincial budget that came down the same day.

In Newfoundland & Labrador (pop. 527K), where revenue from offshore oil (a third of provincial income) has shrunk from \$2.1B to \$500M in the last two years, the Liberal gov't has acted to reduce its deficit with severe austerity measures.

Taxes have been hiked on virtually everything. Gasoline levies have been doubled to 16.5¢ a litre, the harmonized sales tax will rise to 15% from 13%, a temporary deficit-reduction levy of between 1% and 3% has been slapped on those earning more than \$20K in taxable income. About 750 public sector employees are being laid off, cabinet ministers have taken a 10% pay cut, baby bonuses have been discontinued, student grants have been discontinued, and \$14M in funding to Memorial University has been cut.

All of this is being done to reduce the deficit, which would have been \$2.7B, to \$1.83B—from 32% of the \$8.5B budget to 22%.

Finance Minister **Cathy Bennett** declared that the "culture of spending" is over.

Meanwhile in Alberta, it seems to have only just begun.

## Talk ... ... in the Corridors

### Expensive election...

● Elections Alberta released its final report on the 2015 general election Monday, showing a marked increase in costs over the 2012 election. The total cost was \$18,987,748, compared with \$13,631,864 in 2012—a 28.2% increase.

The increase was attributed to a 10% population increase (thus more polls required), the training of 7,000 first-time poll clerks, a 35% increase in postage rates, the addition of television advertising, and “an increased social media presence.”

The number of names on the list of electors rose from 2,447,369 in 2012, to 2,821,518 in 2015—a 13.3% increase. Meanwhile the average election cost per name rose from \$5.57 to \$6.73—a 17.2% rise. Voter turnout last year was 56.7%, up from 54.4% in 2012.

The cost per electoral division ranged from \$79,739 in Fort McMurray-Conklin, where Wildrose leader **Brian Jean** was elected, to \$164,985 in Calgary-South East, which elected PC MLA **Rick Fraser**.

Province-wide, females voted more than males: 51.1% to 47.9%. And in only six ridings did more males than females vote: Fort McMurray-Conklin (51% to 48%); Fort McMurray-Wood Buffalo (53.6% to 46%); Calgary-McCall (50% to 47%); Calgary-Greenway (49.3% to 49%); Calgary-Foothills (49.6% to 49.4%) and; Calgary-Buffalo (50.6% to 44%).

As usual there were more older voters, with the 65-plus demographic accounting for 23.23% of the total. Next came the 55-to-64 group at 21.19%, followed by 45-54 at 19.1%; 35-44 at 15.4%, 25-34 at 13.1%, and 18-24 at 6.6%.

The riding with the most senior voters was Medicine Hat, which elected NDP MLA and Speaker **Bob Wanner**, where 33.6% were 65-plus; the riding with the fewest was Fort McMurray-Wood Buffalo, which elected Wildrose **Tony Yau**, with just 4.7% 65-plus voters.

The highest proportion of 18-24-year-old voters was in **Rachel Notley**'s riding of Edmonton-Strathcona at 11.4%; the fewest was in NDP MLA **Bruce Hinkley**'s riding of Wetaskiwin-Camrose at 3%.

### Closure on Jono's marriage woes...

● A year ago, PC Justice Minister **Jonathan (Jono) Denis** was forced to resign from cabinet and lost any chance he

might have had of winning his Calgary-Arcadia seat when his wife was granted an emergency protection order (EPO).

Jono, then 39, had married the beautiful **Breanna Palmer**, 30, a model and photographer, the previous fall, but the marriage was soon on the rocks.

The EPO was granted by a provincial court judge following testimony from Palmer that Denis used drugs, verbally and emotionally abused her, and had once bloodied her nose after putting her in a headlock. (Denis explained that the bloodied nose occurred when he accidentally kned her when she woke him from sleep by attempting fellatio.)

A Court of Queen's Bench judge later revoked the EPO, declaring, “Ms. Palmer is not in danger of family violence and is not in need of protection.” But by then, the election was two days away.

Denis came third with 29% of the vote, behind NDP **Brandy Payne**, a yoga instructor, who got 35%, and is now associate minister of health, and Wildrose **Linda Carlson** with 31.4%.

Divorce proceedings followed and two weeks ago, on April 1, the courts finalized the end of the marriage. More important, says Jono, was the apology issued by Breanna.

“I regret and am saddened that the actions I have taken against my former husband Jonathan Denis have caused him difficulty,” it reads. “Jonathan Denis has not intentionally harmed me and I have never known him to use or possess illegal drugs. I withdraw all allegations I have made against Jonathan Denis about abuse or otherwise. I want to move on with my life and wish Jonathan Denis the best. This will be the final comment on the matter.”

“End of story,” says the ex-minister, who these days is in the process of setting up gov't relations and legal partnership with two other Calgary lawyers, and also acts as solicitor for the unite-the-right organization Alberta Prosperity (*Insight*, Dec. 18). Another ill-fated union?

## The week ahead ...

**APR. 19**—Manitobans go to the polls and, if the pollsters are correct, will dump Premier **Greg Sellinger**'s NDP gov't and give **Brian Pallister**'s Progressive Conservatives a majority. A poll released last Monday had the PCs at 49%, the NDP at 24%, **Rana Bokhari**'s Liberals at 22%, and the undecideds at 30%. In a poll conducted after Tuesday's televised leadership, Pallister, 61, was deemed to have won by 44% of respondents, Sellinger, 65, by 24%, Green Party Leader **James Bedome**, 32, by a surprising 19%, and Bokhari, 39, by a miserable 4%. (The Greens have never won a seat in the MB Leg.) Pallister has run on a platform of cost cutting and debt reduction, while Sellinger has accused him of planning more privatization of health care. A win for the PCs would leave Alberta with the only NDP gov't in Canada. Who could have imagined that a year ago?

**APR. 20**—The Green Party of Alberta's “online policy convention” begins and “continues indefinitely.” The big policy resolution involves the promotion of geothermal electricity generation. Those interested in participating should contact the party at: [finfo@greenpartyofalberta.ca](mailto:finfo@greenpartyofalberta.ca)

**APR. 21**—Debate on the budget estimates for each ministry begins in committee with Agriculture & Forestry.

**APR. 21**—Interim PC Leader **Ric McIver**'s constituency association of Calgary Hays holds a beer-tasting fundraiser at Willow Park Wines & Spirits, 10801 Bonnaventure Dr, SE. Tickets \$100. Enquiries: 587-707-1742

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