



Legislative Assembly of Alberta

The 29th Legislature
Second Session

Standing Committee
on
Alberta's Economic Future

Ministry of Agriculture and Forestry
Consideration of Main Estimates

Thursday, April 21, 2016
9 a.m.

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Second Session**

Standing Committee on Alberta's Economic Future

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Schneider, David A., Little Bow (W), Deputy Chair

Anderson, Shaye, Leduc-Beaumont (ND)
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Also in Attendance

Barnes, Drew, Cypress-Medicine Hat (W)
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Standing Committee on Alberta's Economic Future

Participants

Ministry of Agriculture and Forestry

Hon. Oneil Carlier, Minister

Dave Burdek, Assistant Deputy Minister, Policy and Environment

Jamie Curran, Assistant Deputy Minister, Food Safety and Technology

Anne Halldorson, Senior Financial Officer

Bruce Mayer, Assistant Deputy Minister, Forestry

Bev Yee, Deputy Minister

Agriculture Financial Services Corporation

Merle Jacobson, Chief Operating Officer

9 a.m.

Thursday, April 21, 2016

[Mr. Sucha in the chair]

**Ministry of Agriculture and Forestry
Consideration of Main Estimates**

The Chair: Good morning, everyone. I would like to call this meeting to order and welcome everyone. The committee has under consideration the estimates for the Ministry of Agriculture and Forestry for the fiscal year ending March 2017.

I'd ask that we go around the table and have all MLAs introduce themselves for the record. Minister, when we get to you, please introduce your staff that are joining you at the table. First, I'd like to note for the record that Mr. Drysdale is the official substitute for Ms Jansen and Dr. Starke is the official substitute for Mr. Gotfried. I'm Graham Sucha, MLA for Calgary-Shaw and committee chair. I'll proceed to my deputy and go around the table.

Mr. Schneider: Dave Schneider, MLA for Little Bow.

Mr. Loewen: Todd Loewen, MLA, Grand Prairie-Smoky.

Mr. Taylor: Wes Taylor, Battle River-Wainwright.

Mr. Barnes: Drew Barnes, Cypress-Medicine Hat.

Mr. Drysdale: Wayne Drysdale, Grande Prairie-Wapiti.

Dr. Starke: Good morning. Richard Starke, MLA, Vermilion-Lloydminster.

Mr. Carlier: Oneil Carlier, Minister of Agriculture and Forestry, MLA, Whitecourt-St. Anne. At the table with me are Bev Yee, deputy minister; Anne Halldorson, senior financial officer; Merle Jacobson, AFSC's chief operating officer.

Mr. Carson: Jon Carson, MLA, Edmonton-Meadowlark.

Mr. Dach: Lorne Dach, Edmonton-McClung.

Mr. S. Anderson: Shaye Anderson, Leduc-Beaumont.

Ms Fitzpatrick: Maria Fitzpatrick, Lethbridge-East.

Mr. Connolly: Michael Connolly, MLA for Calgary-Hawkwood.

Mrs. Schreiner: Kim Schreiner, MLA for Red Deer-North.

Mr. Coolahan: Craig Coolahan, MLA, Calgary-Klein.

Mr. Piquette: Colin Piquette, MLA for Athabasca-Sturgeon-Redwater. Good morning.

The Chair: Excellent.

Please note that the microphones are operated by *Hansard*, and we'd ask that BlackBerrys, iPhones, and all smart phones please be turned off or set to silent or vibrate and not placed on the table as they may interfere with the audiofeed.

Hon. members, standing orders set out the process for consideration of the main estimates. Before we proceed with consideration of the main estimates for the Ministry of Agriculture and Forestry, I would like to review briefly the standing orders governing the speaking rotation. As provided for in Standing Order 59.01(6), the rotation is as follows. The minister or the member of Executive Council acting on the minister's behalf may make opening comments not exceeding 10 minutes. For the hour that follows, members of the Official Opposition and the minister may

speak. For the next 20 minutes the members of the third party, if any, and the minister may speak. For the following 20 minutes the members of any other party represented in the Assembly or any independent members and the minister may speak. For the next 20 minutes private members of the government caucus and the minister may speak. For the remaining time we will follow the same rotation just outlined to the extent possible; however, speaking times are reduced to five minutes as set out in Standing Order 59.02(1)(c).

Members may speak more than once; however, speaking times for the first rotation are limited to 10 minutes at any one time. A minister and a member may combine their time for a total of 20 minutes. For the final rotation speaking times are five minutes, and once again a minister and a member may combine their speaking time for a maximum total of 10 minutes. Discussion should flow through the chair at all times regardless of whether or not speaking time is combined. Members are asked to advise the chair at the beginning of their speech if they wish to combine their time with the minister's.

If members have any questions regarding speaking times or rotations, please feel free to send a note or speak directly with either the chair or committee clerk about the process.

Three hours have been scheduled for consideration of the estimates of the Ministry of Agriculture and Forestry. With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run.

Does anyone oppose having a break? Dr. Starke.

Dr. Starke: Yeah. I oppose having a break if the clock continues to run.

The Chair: Okay. Then we will defer our break.

Committee members, ministers, and any other members who are not committee members may participate; however, only a committee member or an official substitute for a committee member may introduce an amendment during the committee's review of the estimates.

Ministry officials may be present, and at the direction of the minister officials from the ministry may address the committee. Ministry staff seated in the gallery, if called upon, have access to a microphone in the gallery. Members' staff may be present and, space permitting, sit at the table or behind the members along the room's wall. Members have priority for seating at the table at all times.

If debate is exhausted prior to three hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and we'll adjourn. Otherwise we will adjourn at noon.

Points of order will be dealt with as they arise, and the clock will continue to run.

Any written materials provided in response to questions raised during the main estimates should be tabled by the minister in the Assembly for the benefit of all members.

Again I will remind all meeting participants to address their questions and responses through the chair and not directly to each other.

The vote on the estimates is deferred until consideration of all ministry estimates has concluded, and that will occur in Committee of Supply on May 17, 2016.

If there are any amendments, an amendment to the estimates cannot seek to increase the amount of the estimates being considered, change the destination of a grant, or change the destination or purpose of a subsidy. An amendment may be

proposed to reduce an estimate, but the amendment cannot propose to reduce the estimate by its full amount. The vote on an amendment is deferred until Committee of Supply convenes on May 17, 2016. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are to be moved. Twenty copies of amendments must be provided at the meeting for committee members and staff.

I will now invite the Minister of Agriculture and Forestry to begin his opening remarks.

Mr. Carlier: Thank you, Chair. Good morning, everyone. Before we get started, though, I'd like to take this opportunity to introduce the other ministry representatives who have joined me here today. Also joining us in the room are Jamie Curran, assistant deputy minister of the food safety and technology division; Dave Burdek, assistant deputy minister of the policy and environment division; John Brown, assistant deputy minister of the industry and rural development division; Bruce Mayer, assistant deputy minister of the forestry division; Katrina Bluetchen, executive director of extension and communications services; Jake Kotowich, executive director with the Alberta Livestock and Meat Agency; Ryan Fernandez, director of financial planning and policy; Darryl Kay, chief financial officer, AFSC; and Tony Clark, my chief of staff. Thank you for the opportunity to be here today to discuss the 2016-17 budget for the Ministry of Agriculture and Forestry.

Agriculture and forestry are two of our province's most prominent renewable resource sectors. We recognize the incredible contribution that these sectors make to the rural and provincial economy. The work we are doing in this ministry in partnership with our stakeholders supports our government's key priorities, outlined in Budget 2016, the Alberta jobs plan. These include creating jobs and diversifying the economy, investing in infrastructure, climate leadership, controlling the cost of government, and supporting families.

Budget 2016 will invest \$1.1 billion in programs that support agriculture, forestry, and rural communities. Excluding the disaster funding that was allocated last year to address wildfire fighting and insurance claims linked to the dry conditions, our ministry's funding level is very close to last year's budget, down slightly by a net reduction of \$36 million.

As part of our government's work to manage the growth of public expenditures very carefully, we've looked for efficiencies where they make sense. This includes about \$7 million in administrative savings in areas such as supplies and services. Budget decisions were based on finding opportunities for efficiencies and focusing resources on core programs that position the agriculture and forestry sectors and rural Alberta for responsible and sustainable growth.

While we have made reductions in some areas, we continue to invest in strategic programs that focus on the long-term sustainability and competitiveness of our agriculture and forestry sectors. These include research and innovation, improved market access, environmental stewardship, value-added industry development, and food safety. We are, for example, investing approximately \$59 million in funding through the Growing Forward program this year. This funding is allocated to programs and grant opportunities in various sections of our budget, from industry development to environmental stewardship to research.

We're also maintaining our investment, approximately \$46 million, in crucial community organizations and programs that support a strong and vibrant rural Alberta. This includes \$19 million for the irrigation rehabilitation program to support the largest irrigation network in the country; \$11.6 million for agricultural service boards, which provide education and awareness support to

local producers and help to implement provincial legislation focused on weeds, pests, and soil conservation; \$8.67 million for rural agricultural societies; \$2.8 million for the province's seven regional exhibitions; and \$3.9 million for grants for rural gas and electrical infrastructure to serve rural residents.

We're also continuing to support the health of our forests and our forestry sector through a thoughtful and sustainable approach to forest management that balances the economic, social, and environmental needs of Albertans and our communities. This includes an investment of about \$3.9 million in forest industry development as well as about \$32.5 million that has been earmarked to help combat the spread of the mountain pine beetle.

As you well know, one of the important ways that we protect our provincial forests is through our wildfire prevention and management programs. This year we have allocated more than \$120 million for the wildfire management base budget, that covers our preparation work in advance of wildfire season as well as efforts to enhance wildfire-related activities as a result of recommendations made following the 2011 Slave Lake area forest fires.

9:10

During these challenging fiscal times we have identified opportunities to generate about \$14.7 million in net savings. These include areas such as discretionary travel, uniforms, camp food services, facility maintenance, and adjustments to air tanker contracts.

We are also deferring some wildfire management initiatives, including some FireSmart programs. However, I want to be clear. Regardless of the fiscal situation, we take the necessary steps to protect Albertans, communities, and forests when wildfires occur in our province. We will continue to monitor the fire conditions through the year and allocate additional resources if and when they are required.

It is important to note that significant progress has been made to enhance our ability to combat and prevent wildfires since the Slave Lake area wildfires. More than \$100 million has been invested in enhancements over the past four years to increase firefighting capacity and capability, to increase FireSmart initiatives as well as to enhance communications and wildfire information. For example, we now have about 775 firefighters in place at the start of the wildfire season, which is about 200 more than in 2011. Our wildfire crews did an outstanding job during last year's extremely busy season. I am confident that we're well positioned to deal with any challenges this year.

One of the key changes as part of this year's budget is a result of our review of government agencies, boards, and commissions, commonly known as ABCs. In 2015 our government moved forward with a review of ABCs to determine if they are the best or most cost-effective model to deliver programs and services to Albertans. Within our budget the most significant change is the winding down of two organizations, the Alberta Livestock and Meat Agency and the Alberta Grains Council, over the next few months. These decisions were made after careful consideration and thought. We are very thankful to the board and staff at ALMA as well as the Grains Council for their dedication, service, and the important work they have done on behalf of the industry. They have done some outstanding work, achieved a lot over the years that has helped make our agriculture sector stronger.

At the end of the day, these decisions were about creating a more direct relationship between stakeholders and government while also creating operational efficiency and reducing cost during a time of fiscal belt-tightening. It makes sense, for example, for livestock-focused programs, services, and grants to be delivered directly by

the department rather than a provincial agency. The department already delivers similar programs for the crop sector. A streamlined approach will be less costly, and we will be in a stronger position to enhance co-ordination and consistency of programs for all sectors within the agriculture industry.

We will be working collaboratively with ALMA to complete the orderly wind-down of the organization and the implementation of the new service delivery model through the department. We will continue to partner with our stakeholders to invest in the long-term growth and sustainability of the livestock and meat sector, including projects that support research, diversification, market development, and improved competitiveness. Funding for the range of agriculture programs and services that support the livestock sector will be more than \$20 million this year. Existing grant agreements with those who were clients of ALMA will be maintained, and stakeholders will continue to have input into priorities and granting decisions. In the long term the dissolution of ALMA is expected to save up to \$3 million annually in operating costs.

Implementing changes that affect organizations and staff is never taken lightly, and these certainly were tough decisions. The new delivery model will, however, put our ministry in a stronger position to serve the agriculture community as well as allow us to take a broader approach to seeking input from our stakeholders.

We plan to establish a new advisory panel that will bring together representatives from across the agriculture industry, including the livestock, crop, and food-processing sectors, to share ideas and provide recommendations to government. The panel will not be a formal government agency, board, or commission. It will reflect the integrated nature of the agriculture and agrifood sectors. Currently most avenues to providing input to government on agriculture issues are focused on specific sectors or commodities. The panel will provide a more well-rounded perspective. We will work together with agriculture sector stakeholders to determine the best approach to putting the panel in place, including the panel's scope, priorities, and membership. More information about the new panel will be forthcoming in the weeks ahead.

Four other Agriculture and Forestry ABCs are being dissolved in the coming months: the Next Generation Advisory Council, the Farm Safety Advisory Council, the Agricultural Development Committee, and the Agricultural Operation Practices Act Policy Advisory Group. The winding down of these organizations will not result in a loss of service to Albertans. These organizations have either fulfilled their mandates or are no longer active or the service is being provided in another way. As we move forward, we will continue to take the necessary steps to manage taxpayer dollars very carefully while supporting the ongoing success of our agriculture and forestry sectors. We remain focused on the outcomes outlined in our business plan, that include positioning agriculture and forestry industries for growth, ensuring effective assurance systems are in place, supporting environmental responsibility and sustainability, and helping rural communities thrive.

There is a great deal of work to be done in the months ahead, including work on the farm and ranch workplace legislation. We are looking forward to the stakeholder engagement sessions once farmers and producers are through seeding so we can work on ways to enhance agriculture safety.

We are also hosting the upcoming meeting of Canadian agriculture ministers in Calgary in July.

The Chair: Excellent. Thank you, minister. Your time has lapsed.

Before we proceed, I want to recognize that we've been joined by Scott Cyr, Prasad Panda, and Prab Gill as well.

The hour that follows is for members of the Official Opposition, and the minister may speak. Would you like us to set the timer for 20-minute intervals as well?

Mr. Loewen: Yes, just for notification, but we'll carry through.

The Chair: Okay. You may proceed.

Mr. Loewen: Okay. Thank you very much, and thanks, Minister Carlier.

The Chair: Sorry. To confirm: are you going back and forth or sharing your time?

Mr. Loewen: Back and forth.

The Chair: Okay.

Mr. Loewen: Thanks, Minister Carlier, for being here today, and thanks also to the staff that have attended. It's great to see everybody here. Of course, our duty and what we're doing here today is that we'll be asking questions of the minister. Of course, nothing personal in any of these questions. We're here for information, and we'll be carrying on in that regard.

So we'll get started here, then, right off the bat. In the 2016-2017 government estimates, page 34, under ministry support services, on line 1.1, minister's office – I'll just give you a second to grab that – I see that you're holding the line at \$754,000, and I know that was also the case last year. With the Enhanced Protection for Farm and Ranch Workers Act falling under your ministry, is it reasonable to assume that there won't be any increase in spending in this ministry's office?

Mr. Carlier: Yeah. That is correct. There is no extra spending. If you're asking if we need to hire more staff to look after the farm and safety legislation in the ministry's office, no, that won't be necessary. We have a full complement of staff in the ministry's office, very competent staff, that have been very helpful with their advice throughout the year. But, no, there will be no need to increase for anything, really, including farm safety legislation.

Thank you.

Mr. Loewen: Perfect. Thanks.

Okay. Due to the nature of the act and how it crosses ministries, will other ministries such as Justice and Labour – do they also incur costs from administrating this act?

Mr. Carlier: I believe, Member, that Labour will incur some costs, but we don't, of course, know. That question should be asked of that ministry, and I don't have those numbers, but it is my understanding there will be, yes.

Mr. Loewen: Okay. Thanks, Minister.

Okay. Moving to line 1.5, communications budget, it's increased by \$156,000. Now, overall this may not seem like a huge amount, but given that last year this line also saw a \$168,000 increase, what exactly is this increase for?

Mr. Carlier: Thank you, Chair. Thank you, Member. That increase was that the corresponding unit is moving into that division, so with that are the supplies and services and, of course, the wages for those people that have moved into that division. So that just shows a movement of staff.

Mr. Loewen: Okay. So by unit you're suggesting it's a movement of staff from one part to another?

Mr. Carlier: Yeah, a correspondence unit, and you did allude to the fact in the budget last year, too. Perhaps I'm anticipating your next question, on the IT. There were a lot of Internet and computer issues from last year that were resolved, that have been resolved since then, and that actually eases the merging of the two units as well.

Mr. Loewen: Okay. That sounds good. Any reason why you did this movement or this shuffle?

Mr. Carlier: I'll ask Deputy Minister Bev Yee if she has any insight. Thank you.

Ms Yee: Yeah. I think it's just alignment of people with similar skills that can work together in a better way as a team. A lot of our issues are integrated; therefore, having them as part of communications made a lot of sense.

Mr. Loewen: Okay. Thank you. Is this simply adding – okay. Just a sec here. So this isn't necessarily adding additional communications staff to the ministry.

9:20

Mr. Carlier: No. There was no increase of staff.

Mr. Loewen: Okay. Now, couldn't the Public Affairs Bureau be used for some of these communications?

Mr. Carlier: Thank you, Chair. Thank you, Member. You know, I think in any department and I know with my own that I couldn't be happier with all my public servants that are in the department, including communications. There are some very specific skill sets that are needed around communications, as you can imagine. Within Agriculture and Forestry there are technical issues that communications people have to be focused on, have to be experts in, and that's most certainly true in the case of Agriculture and Forestry.

Mr. Loewen: Okay. Thank you.

Moving on, line 2.1 deals with the Alberta Grains Council. What was the purpose of the Alberta Grains Council? Could you go over that for me, please?

Mr. Carlier: The Alberta Grains Council: they've done some great work. I absolutely acknowledge that. Over the years they have, you know, had different mandates, different policies, different shapes of what they were looking at. A lot of them were around marketing. They had a lot of advice for the ministers in the past around the different commodity groups, obviously grains. Even in my conversations with the few existing board members that had still been with the Grains Council on what's the best advice we can get, they themselves suggested that the advice on commodities, including grains, best comes from the commissions.

It's my understanding that in the early days of the Alberta Grains Council the commissions weren't well formed or hadn't been formed, weren't a good avenue for ministers or other government officials to go to for advice. That has since changed, by and large – right? – where the commissions have their own monies available to do research, to be able to do input in stakeholder outreach with their own stakeholders, so the best avenue of advice for me is through those commissions. It was acknowledged, actually, by the Grains Council themselves. Even though they have done really good work in the past, I think it is time, you know, to dissolve them as they've become redundant, not because they weren't able to do good work – they absolutely have – but the work they were doing in advising government, myself has been filled by other means.

Mr. Loewen: Okay. Now, was that council active recently?

Mr. Carlier: It hasn't been active. I think there are only three board members that were still active. All the others had been vacant. They haven't had a report to the ministry in my term and even earlier than that.

Mr. Loewen: Okay. Now, the budget for that has been decreased, a decrease of \$60,000 or so. Obviously, you've dissolved this particular ABC, so what's that budget for? Is it for phasing out? What's that?

Mr. Carlier: You know, I think it's important to acknowledge again the work that they're doing and that we don't lose any work that they are currently doing. We need time to transition smoothly, to make sure that the support that has been supplied, especially to the stakeholders, the farmers and producers out there, is continued. There is still one staffperson that needs to continue the work, to be doing it. We're taking our time to make that transition possible, make it as smooth as possible, and make sure that we don't lose anything that we need to maintain to support the industry.

Mr. Loewen: Yeah. Okay. Is there any staff or board severance with this?

Mr. Carlier: Good question. I will . . .

Mr. Loewen: You can get back to me.

Mr. Carlier: Yeah. I think we know, but thank you, Member. I'll refer to Deputy Minister Bev Yee.

Ms Yee: The one staffperson we have will transition into supporting the new advisory panel, so there would not be any loss of job there.

Mr. Loewen: Will there be any staff increases you require if you take the functions into your ministry like this?

Mr. Carlier: You know, it's my understanding that there is no need for a staff increase. Thank you.

Mr. Loewen: Okay. We're going to line 2.3, economics and competitiveness. Can you explain exactly what this line entails?

Mr. Carlier: Yeah. Thank you, Chair. Thank you, Member. You know, there is economics and competitiveness, so the economic impact of environmental practices, land-use framework proposal, animal and plant diseases – it runs quite the gambit – trade issues, marketing of our commodities. As, of course, anyone is aware, we are a small population, large land base. Our economy is based on being able to export those. It advises, develops farmer margins for crop and livestock, minister's ag stability program, develops forecasts for commodity pricing, best marketing practices. It's really about marketing, about our products, being able to showcase our products around the world, around marketing. It provides agrifood trade data and reports and in partnership with stakeholders applies and develops research projects as well, which is important. How this industry has always grown is through research. That's really close and dear to my heart.

Thank you.

Mr. Loewen: Thanks.

If all the budget was used last year, has this department found some inefficiencies that have allowed you to cut almost \$400,000 from this area without losing its effectiveness, or has it just shifted to the next line item? How is that?

Mr. Carlier: Yeah. We have been able to, you know, target some departmental reductions without any loss of the important work and service that they do.

Mr. Loewen: And that's to the tune of \$400,000.

Mr. Carlier: Yeah. Attributed primarily to salaries. There's been some staff turnover, you know, those kinds of things, and positions that have been filled have been filled at lower classification levels, more entry-level type positions, so there have been a few savings seen there as well.

Mr. Loewen: Okay. Going on to line 2.4. That's got the grand title of Policy, Strategy and Intergovernmental Affairs. This area has a budget of over 5 and a half million dollars. What is the purpose of this line item, and what function do they provide?

Mr. Carlier: I found, you know, one of the many interesting aspects of this portfolio is how much work we do with intergovernmental affairs. Looking forward, as I said in the opening address, to the federal-provincial-territorial meeting, the conference that's happening in Calgary in July – that only happens once every 13 years, so this is an opportunity for all of us, frankly, to showcase what we're doing in Alberta.

It's important to note the Growing Forward 2 program, which is a very flexible program. There are highs and lows in the program. It's flexible enough to gather the information that's needed from the stakeholders at a time that they need these funds, depending on how the program is organized, so the vast majority of the variances you see and hear in other portions of the budget are because of those Growing Forward 2 variances.

Again, referencing the federal-provincial-territorial conference in July, we have an opportunity to meet with all the other agriculture ministers across the country to develop the next program, whether it's Growing Forward 3 or whatever it might be called, after this one expires. That's going to be exciting, to be able to develop that new program, knowing how successful this one was.

Mr. Loewen: Okay. Thank you very much.

Agriculture and water, specifically, line 3.1, irrigation and farm water. What programs does this fund, exactly?

Mr. Carlier: Thank you, Member. Thank you, Chair. You know, the irrigation: we have 13 different irrigation districts in Alberta. We've got 1.3 million acres. Someday I'll convert that to hectares, but right now it's 1.3 million acres. It's important. Over 50 per cent of the irrigated land in Canada is in Alberta, mostly southern Alberta. As an example, there are emergency water supplies during dry periods as part of that budget. We enhance agriculture interests for Water for Life and the land-use framework. We assess existing water supplies and provide recommendations to industries to find more efficient use of water, and there's been some really good progress in that field, Member, where it's a very varied – they're able to apply their water in a much more efficient way.

There's a real success story around irrigation. Irrigation is also dear and close to my heart. I literally learned how to swim in an irrigation ditch. They're able to grow 20 per cent more crop – 20 per cent – with less water with the efficiencies they have found in their systems and the crops and the seeds that they're developing. There's a lot of work being done in the irrigation districts to be able to put in a lot more pipe, getting rid of the canals, a lot less evaporation. The way they're applying: there's a lot less evaporation, and it has been a real success story. We help with the development of that. There are other line items for the actual money

to rehabilitate. To be able to come up with strategies about research, about finding more efficiencies: that's where this is from.

9:30

Mr. Loewen: Okay. Now, this line item has lost \$500,000. Should another drought year occur, will it have any impact on the programs that you just mentioned?

Mr. Carlier: You mentioned drought, Member. I mean, even last year, which was, as we know, a pretty dry year, in many respects we missed the bullet by a little bit. It was a dry year, but I think that a lot of the water happened at the right time. Now, in the irrigation area it was a hot year last year, too, so they actually did really well because the water they get is from irrigation, from the reservoirs, obviously. Even at the end of the year they were all at normal levels, except St. Mary, you know, the main reservoir, which was down a bit.

Even though we've had pretty low snowfall right across the province this winter, the mountains have seen a pretty normal winter, so I'm expecting some fairly close to normal reservoir levels this year. So that as well.

Again, the variance you see there is attributed to the Growing Forward program. It's built into the program, again, these highs and lows. This year there is a bit of a dip, then, in the Growing Forward program, and that's where you see that variance.

Mr. Loewen: Okay. Food safety and animal health. On line 4.2 on the same page we previously saw a decrease of \$223,000 in food safety and animal welfare from 2014-2015. This year, however, we see an increase over those levels to \$24,470,000. Now, since you maxed out your budget last year after decreasing it from 2015, is this increase just a correction of that cut?

Mr. Carlier: Thank you, Chair. Thank you, Member, for the question. Again, it's a Growing Forward variance. There are increased expenditures for the Growing Forward assurance program, which is food safety systems, biosecurity, et cetera. It's due to the acceleration of funding from year 5 to year 4 of this bilateral agreement. Again, worked into the agreement are these variances, taking into consideration the needs, the wants of the industry not just in Alberta but right across the country – right? – because it's important to note that the Growing Forward program is a national program that has been developed by all provinces, including the federal government.

Mr. Loewen: Okay. One of the ABCs to be dissolved is the Agricultural Operation Practices Act. Down south there is an area referred to as cattle alley, and it has been noted in the past that there have been phosphate concerns. How will the newly assigned border agency deal with education and/or enforcement on that?

Mr. Carlier: Thank you, Chair. Thank you, Member, for the question. It's important to note that a lot of the ABCs have, you know, fulfilled their mandate, have been able to give their report but that rolled in there, their business has already been done by a lot of the other departments or sections within the ministry or within government. That's one of them.

Again, it's important to acknowledge over the years past board members and past directors and past staff and the good work they are doing on that particular issue.

I know that Deputy Minister Bev Yee – I'll let her speak in a moment – is very much experienced in the environmental field as well, so she'd be the expert in this room.

Thank you.

Ms Yee: Thank you. In terms of phosphorus there is ongoing work that we're doing in co-operation and partnership with Environment and Parks. There's a framework that's been developed in order to continue the ongoing monitoring of levels and involving stakeholders responding. That's part of the ongoing work.

Mr. Loewen: Who's going to be responsible for that, then?

Ms Yee: The lead is Environment and Parks, and we work with them.

Mr. Loewen: Okay. So it's gone from this ABC to Environment and Parks, then?

Ms Yee: Actually, this ABC gives advice. Their role was to give advice on policy issues that arise. As that is disbanded, they will, on an as-needed basis through the NRCB, assemble working groups that would give advice on specific policy issues. But the ongoing operational work of dealing with phosphorus is led through Environment and Parks, through their scientists and our scientists working together.

Mr. Loewen: Okay. So this has been a change from reporting to your department to now reporting to Environment and Parks?

Ms Yee: Reporting to whom?

Mr. Loewen: We've changed that from this ABC to the government department taking care of this. Now, the ABC used to report to Agriculture? Am I wrong?

Ms Yee: That's correct. Yes. It's being disbanded, so it's one of the ones in dissolution. Then the NRCB will, as needed, assemble working groups that would give policy advice on specific issues as they arise. This is something that has been discussed with NRCB and all stakeholders, and they're in agreement that that's probably the best vehicle to deal with giving that kind of advice.

Mr. Loewen: Okay. So the advice is going to Environment and Parks now?

Ms Yee: No. Sorry. I meant that the actual on-the-ground work on phosphorus is being led by Environment and Parks.

The policy advice would come through the Natural Resources Conservation Board. The act is still our responsibility. That piece of legislation is still Agriculture and Forestry, so if there's operational advice that they have to give us that could lead to a need for a change in legislation or regulations, it would come back to this department. Sorry. I didn't mean to confuse the science work with the legislative work.

Mr. Loewen: No. That's fine. Thanks.

Okay. We'll go on to line 4.3. This is food chain traceability, which, of course, seems to be a very important area. Would this be the program responsible for things like E coli outbreaks, BSE, and that sort of thing?

Mr. Carlier: Thank you, Member. Thank you, Chair. Again, you know, there's the Growing Forward assurance program, which includes the food safety systems. There is a bit of an increase in capital investment due to equipment purchase for enhanced testing and the surveillance system around BSE.

You know, at this stage, obviously, all producers understand the importance of food traceability. They understand the importance of any pathogens out there in the landscape, including the livestock industry. It's important not only for the safety of humans,

obviously, right across the province and around the globe, but it's very important to marketing. We can't have a situation where something is to the point where we actually start losing market share, as we've seen in years past. It's really important for the industry and, of course, important for the safety of people who consume our products world-wide.

Mr. Loewen: Okay. So why would there be a cut of \$900,000 there?

Mr. Carlier: That's still the changes in the programming of the Growing Forward 2 program. That was built into the program all along. The vast majority of that funding comes from Growing Forward 2. It's how the program was designed. Again, it was designed for these highs and lows, and this is the year when that funding dropped off according to design.

Mr. Loewen: So was there a kind of redundancy there, then?

Mr. Carlier: Again I'll refer to Deputy Minister Bev Yee. Thank you.

Ms Yee: Thank you very much. The food chain traceability: the way it works is that there is a core budget that the department holds for traceability. That is a constant. The Growing Forward funding is additional funding that we get to enhance the traceability system. A large part of that money comes from the federal government, and we contribute some. The decrease is in the Growing Forward piece of it, so it is in the additional monies that we will get through that program to enhance the program. The core program remains fully funded.

Mr. Loewen: Thank you.

Now, still on page 34 and moving on to line 5, industry development, I see that rural economic development increased its budget slightly, by \$985,000. I think this may be a solid investment, but I'm curious what the money goes toward exactly.

Mr. Carlier: Yeah. Thank you, Member, for that. You know, it's important in these hard financial times, obviously, that we find the efficiencies where we can find them. It's also equally important, I would suggest, or probably more important that we maintain, where we can, what in the programs are so important to rural Alberta and rural development: responsibilities around the rural electrical associations, the gas co-ops, the work they do around there to maintain the utilities and infrastructure for rural Alberta. They go over and above that, too. They're members of the community. They're members of rural Alberta. They're able to keep what they can around economic development, around being able to support businesses, farmers, and ranchers in the rural area. Those are really important.

It's important, too, to note the Alberta 4-H program. It's also continuing to be supported by the Alberta government, by Agriculture and Forestry, which is, I believe, unique in Canada but has been very successful. As we approach the 100th anniversary of 4-H, which, I believe, is next year, you know, I'm looking forward to those celebrations. I think that it's really important.

Others are the agricultural societies. Now, agricultural societies in rural Alberta are, I would suggest, the glue that keeps rural Alberta together. They support the youth organizations; they support the curling club, the hockey rink. They do . . .

9:40

Mr. Loewen: Yeah. Okay. That's good.

Would this include the farmers' market app?

Mr. Carlier: The farmers' market app, my new favourite.

Mr. Loewen: If you're going to talk about it, what I really want to know is: what's the cost of that particular program?

Mr. Carlier: That app in particular?

Mr. Loewen: Yeah.

Mr. Carlier: The farmers' market app. My understanding is that to develop that application for smart phones cost \$40,000. I heard the number, the uptake on that. Last I heard, we were pushing, you know, in the past week 10,000 folks that have downloaded that application. So it has been a great success.

Mr. Loewen: That's good. Thank you.

I'll go on to line 5.5, agricultural societies and exhibitions. Now, it seems that the major fairs and exhibitions are now under the Ministry of Culture and Tourism. Is this entire budget now allocated for local fairs and exhibitions?

Mr. Carlier: That's correct. You know, ag societies are one side, but then there are the other regional exhibitions, whether you're in Lethbridge, Lloydminster, Grande Prairie, or Red Deer, such as that.

Mr. Loewen: Thanks.

Okay. If so, will these dollars allow you to increase Agriculture's presence at these local events?

Mr. Carlier: It's maintaining the budget. You know, all of us understand the importance of agriculture to those communities. I'm happy that we're able even in these tough financial times to maintain that budget. It is just maintaining what was already there. In that, we also provide grants to 286 agricultural societies. We have 286 active agricultural societies in this province, and that's really important to note as well. Even though they're quite a bit smaller, they do really good work.

Mr. Loewen: Okay. Now, will you be looking to support 4-H programs at local fairs and exhibitions in keeping with your department's goal to ensure generational transitions in rural communities?

Mr. Carlier: Thank you, Chair. Thank you, Member, for the well-worded question. Absolutely, right? The 4-H programs: I've had the opportunity to meet a lot of those folks over the past few months. They do great work. We're able to again maintain that funding. You know, in better times it would have been nice to be able to increase that funding, but in these times I was happy to maintain it.

Mr. Loewen: Okay. Thank you.

Now, moving on to line 5.6, agriculture initiatives, we see that the budget is decreasing by almost a third. Which initiatives are you cutting as a result of this?

Mr. Carlier: It's important to know that the core funding, the base programming, has been maintained, what they need around developing their programs and some infrastructure, that kind of thing. The initiatives themselves are over and above that. You know, if they were looking to do something over and above, we're able to maintain a lot of that. There has been a reduction, absolutely, but we believe that even with that reduction, we're still able to maintain the vast majority of what is available to rural Alberta, what's available to the ag societies. We're maintaining the annual

grant funding – it's still at \$11.5 million – and that will be provided directly to the ag societies and will be able to assist in a very significant number of projects.

Mr. Loewen: Okay. Now, as far as the funding for committees like the round-table committees, where is that funding coming from?

Mr. Carlier: Sorry. Member, are you . . .

Mr. Loewen: For Bill 6.

Mr. Carlier: Yeah. Bill 6. That's the financial something act, isn't it? There's a new Bill 6. Okay. The old Bill 6.

Mr. Loewen: We know you'd like to forget.

Mr. Carlier: I'm not going to say anything, Member.

Mr. Loewen: Maybe you'd like to forget Bill 6, but a lot of people haven't.

Mr. Carlier: No, I don't.

Thank you, Member, for that question. That's important. I know that we joked a little bit there, but it remains important to me and to this government. You know, I suspect that everyone in this room would increase the safety and the rights of workers, including farm workers.

Yeah, there is in the rural economic development fund rolled in there, the funds that we feel will be needed to continue implementing the farm and ranch worker safety legislation.

Mr. Loewen: Okay. When will the Bill 6 round-tables be announced?

Mr. Carlier: Thank you, Chair. Thank you, Member, for that question. Yeah. If I had it my way, it would've been yesterday. But, you know, as I'm starting to learn, government doesn't necessarily always move as fast as I want it to move. We had reasons for that. Excuse me for being flippant yet again. It's kind of my nature, I'm afraid. We've had really good uptake on that. We've had a lot of people interested. We had several hundred people apply for it. It proved to be a bit of a task, you know, to look at the resumés for these folks, to be able to get the right people in the right position around these.

Just to refresh everyone's minds, there are going to be six technical working groups with from 10 to 12 or so members per table, including a mediator/facilitator for each one of these. Having said all of that, it will be soon. I know I haven't answered your question. You know, we're close. We're doing the final tweaks. I think we have a bit of time.

I don't want to at this moment announce – we can announce the names to the tables, right? But it's going to be, I would suggest, a few weeks yet before we can actually have a meeting. There are busy times any time of the year, I'm sure. But we don't want it when the majority of those workers and ranchers and farmers that we want at those tables are going to be in their busy season. So I suspect that we're looking at – I'm not even going to say anything. I'm not going to do that anymore or give a date.

I'm hoping that really soon we get to announce it, get our meetings set up. I think it's important. I think folks are waiting. But it's really important to note that we've got to take the time needed to make sure we get this right, and we'll continue to do so.

Sorry, Member. It wasn't a very fulsome answer.

Mr. Loewen: No. Thanks, Minister.

Now, line 6 deals with agriculture insurance and lending assistance. On line 6.1, lending assistance, we know that in the previous estimates it was explained that this budget was slashed by \$5 million as it was the end of a lending program from the Slave Lake fire. Is that correct?

Mr. Carlier: Yes, that's correct.

Mr. Loewen: Okay. This year the budget for lending assistance has dropped an additional \$1.2 million. What is the rationale behind the cuts for that?

Mr. Carlier: You know, I'm going to refer to our expert from AFSC here, Mr. Jacobson.

Thank you.

Mr. Jacobson: Thank you, Minister and Chair and Member. The lending assistance is really focused on two main areas. Most of it goes towards the beginning farmer incentive. Within the Alberta farm loan program, in which we lent last year around \$440 million, 50 per cent of that is to beginning farmers. That program provides a 1 and a half per cent interest rate reduction. Over the first five years alone, which is the most vulnerable time for any new entrepreneurs starting out, it gives them that extra bit of working capital to start. The government of Alberta funds that, so that number is constant all the way through.

The other piece that is a feature within all of AFSC's lending programs – last year we lent \$555 million for projects totalling just shy of a billion dollars – is that there's no prepayment penalty. It provides the ultimate flexibility for any agriculture producer, any businessman. They can borrow money from AFSC, and if they are able to find a better arrangement with their traditional lender, they can pay out AFSC's loan at any time with no penalty. It creates a little bit of a challenge to match the money that we borrow through the government of Alberta to the money that we lend the producers. So with that, the government of Alberta has provided some assistance in offsetting some of that cost. This last year and going forward, we're able to borrow through the government of Alberta at some very favourable terms that reduced that margin spread for those prepayment penalties.

Mr. Loewen: Okay. So the \$1.2 million is based on that margin spread.

Mr. Jacobson: Correct. Yes.

Mr. Loewen: Okay. That's good. Thanks.

Now, granted, the new OH and S standards will come out shortly. Will there be money available from this line that farmers and ranchers can access proactively to ensure that their operations will be compliant once regulations are established?

Mr. Carlier: OH and S regulations. You know, the recommendations of the table will go to the government to write the regulations. And you want to know – sorry, Member.

Mr. Loewen: To bring equipment up to standards and everything: is there going to be anything proactively to ensure that operations can be compliant once the regulations are established?

Mr. Carlier: You know, I think it's too early to tell. We don't know what the recommendations or even the regulations are going to look like. There's a lot of talk about older equipment and that kind of thing, right? We all know that farmers use equipment they need and what they can afford to use. How that might shape up, how they might be able to take it on: there is no money allotted for that.

I think we have, you know, some time to discuss that. It's getting a little later in the year, as we've discussed further, for even the tables getting together to start their deliberations to make those recommendations. I don't see that being an issue this year. But I hear what you're saying, and that's possibly something we need to look at for next year.

9:50

Mr. Loewen: Good deal. Thanks.

Line 6.2 deals with insurance. Now, is this lending insurance? Is AFSC under this line item?

Mr. Carlier: Yes, that's correct.

Mr. Loewen: Okay. Thanks.

Now, should we continue to experience significant downturns in the economy this year, will the budget increase to provide enough buffer?

Mr. Carlier: Sorry. For the insurance?

Mr. Loewen: Yes.

Mr. Carlier: Yes. Again, I'll let Mr. Jacobson talk about that, but it's my understanding that there is a fairly substantial buffer. We need that, right? My crystal ball is as cloudy as the next person's. What is this year actually going to entail? You know, important to note, as we all know: low snowfall this year, and we have had a dry spring. But statistically our wet months are May and June, so let's all pray and hope for rain.

Otherwise, for close to that exact number I'll ask Mr. Jacobson.

Mr. Loewen: Okay. While you answer, I just want to ask: how much reserve does AFSC have?

Mr. Jacobson: Thank you, Minister, Chair, and Member. The insurance assistance here is for the Agriculture Financial Services Corporation to insure for crop insurance, hail insurance, the western livestock price insurance program, and the wildlife damage compensation. That's the Alberta government's contribution. Basically, 40 per cent of the premium is paid by farmers, 36 per cent by the government of Canada, and 24 per cent by Alberta. So that represents Alberta's 24 per cent.

The premiums are all set, actuarially sound, over a 25-year period. Every five years they're reviewed by independent actuaries to make sure that the premiums we collect equal the losses that we pay out. Over the last 15 or, well, 12 years agriculture has seen probably the highest yield, some of the best commodity prices that they've ever seen. Over that period of time we've built our reserves up to about \$2.1 billion, which is above our target of about \$1.8 billion, and that's been driving the premium rates down as well. We have reserves basically to cover off, you know, any event that would happen.

Mr. Loewen: Okay. Thank you very much.

Page 35, line 7, forests. Last estimates you mentioned forest products revenue approaching \$4 billion annually. What are the estimates for this year?

Mr. Carlier: Thank you, Chair. Thank you, Member. Page 35.

Mr. Loewen: Yeah. It's page 35, line 7. It talks about forests. In the last estimates it was mentioned that there was \$4 billion revenue annually from forestry, and I wonder if you have any estimates for this year. You can get back to us on that, too, if you want.

Mr. Carlier: You know, there are some challenges out there in the forestry sector. I mentioned earlier in my speech about the pine beetle. There are going to be some challenges while we continue shaping up caribou range plans, for instance. The big one, the big elephant in the room for the forestry industry is the softwood lumber agreement. That's, of course, a federally negotiated agreement, but it's causing some concerns, obviously, in industry. Otherwise, even with those challenges, we're looking at the revenue from the forestry industry to be very, very close to what it was last year.

Mr. Loewen: Now, regarding the caribou study: is it available, and what are the expected impacts of that?

Mr. Carlier: That's over and above, I think, the scope of our budget estimates, but I'm perfectly welcome to answer the question. You know, we joked a little bit earlier about the farm worker legislation. I think the item that's on my plate, including Energy and the Minister of Environment and Parks as well, is this caribou range planning. It doesn't necessarily, maybe, keep me awake at night, but it is of grave concern. Why it's a concern is that under the Species at Risk Act, the federal legislation, we have to protect this species. They've identified different herds rights across the country, not just in Alberta, that need our protection. It's my focus and it's our government's focus. Yeah, we get it.

The Species at Risk Act means that we need to maintain the species, but we also need to maintain those 17 rural communities, the thousands of jobs that rely on the forest industry. Those are, I would argue, at least equally important. In my own district of Whitecourt-St. Anne I have lumber interests, Millar Western and Alberta Newsprint corporation. Important to note: that's the only paper mill left in the province. That's important.

So those plans are ongoing, working with both the federal and the other ministers on developing those plans. They're still in the works. Hopefully soon. It's getting to be close, right? There's a timeline. There's a point where we need to have those plans in to the federal government because it is their legislation. I'm hoping it's soon.

Mr. Loewen: That's good. Thanks.

Now, could we get a copy of that caribou study that the government has done?

Mr. Carlier: You know, we're still putting the final touches on it. I guess, no commitments because I have to talk to the minister of environment and the Minister of Energy as well, but as far as I can see, I can't see any – absolutely. The range plan will be public when it's done.

Mr. Loewen: Okay. Can you undertake to supply that, then?

Mr. Carlier: I think I can commit to that, yes.
Thank you.

Mr. Loewen: Okay. Wildfire management. Coming off another dry winter, we've already experienced 140-odd forest fires. I believe that last year was a near record year for forest fires. According to the estimates you actually overspent by about \$20 million – is that correct? – last year.

Mr. Carlier: Sorry, Member. From this budget?

Mr. Loewen: From last year.

Mr. Carlier: I don't have those numbers in front of me. Sorry.

Mr. Loewen: Line 7.1?

Mr. Carlier: Right. Yeah, that is correct. If you wish details on that . . .

Mr. Loewen: Carry on.

Mr. Carlier: Okay. Yeah. Deputy Minister Bev Yee.

Ms Yee: Thank you very much. In the budget one thing to understand is that the budgeted amount for 2015-16, the \$470,564,000, reflects – this budget came out in October. That would have been at the end of the fire season. So this reflects the emergency funding that came in to fight the fires last year.

Then you'll see that the forecast is \$490,564,000. You're talking about that \$20 million difference there. That \$20 million difference is for reforestation. In areas where they suffer wildfires, we need to go back in and reforest. That's what the \$20 million is for.

Mr. Loewen: Okay. Thanks.

Now, the previous government took money from environmental protection and enhancement and put it into wildfire management. Where is the money coming from to cover off the low estimates that you have for this year?

Mr. Carlier: Thank you, Member, for the question. You know, those funds in the APF are still there. That's what we're using right now to actually fight the fires. There's a base budget. There are funds available, \$98.2 million available there. Any funding that we need over and above that as the season progresses goes through Treasury Board, and they're able to allocate emergency funding for firefighting.

Mr. Loewen: Okay. Now, why is the department this year not estimating the true total value of firefighting costs?

Mr. Carlier: You know, it's the nature of funding around firefighting – it's the same in every province right across the country – that the funding for fighting the wildfires as the season progresses comes out of emergency funding.

Now, I think I misspoke earlier. There is \$150 million that's available right now to fight our fires. Member, you're absolutely correct. We've had a low snowfall. Our numbers are up over the 10-year average almost three- or fourfold. It's important to note that the crews are out there, and they're fighting fires.

Mr. Loewen: Okay. Last time we were here, you mentioned that wildfire management funding is normally around \$139 million, which, in your words, is for disaster funding. So where did we get the budget of \$86 million?

Mr. Carlier: Thank you, Chair. Thank you, Member. The \$86 million, yes.

I'll ask Deputy Minister Bev Yee.

Ms Yee: Yeah. The way the wildfire management budget is structured is that every year we budget a certain amount to get us ready. It's what we call the base funding. The \$86 million that you see here is base funding that would allow us to do training, get towers open, get tanker bases open, and do some of the early monitoring and detection. What happens is that there's a base budget here and a base budget that comes out of the environmental protection and enhancement fund. That would give us a total of \$98.2 million in the base budget. As fires happen and operations continue, we would draw additional funds, and if there's an emergency, we would add to it.

10:00

So what you see for the last year is that additional \$375 million, in 2015-16, that we spent, that came out of emergency funding when a disaster was declared. That is how all provinces structure their wildfire management budget. Because you can't anticipate how many fires you're going to have, you want to budget a base budget to get ready and be in a state of readiness, and then you would draw from emergency funding to carry on your operations as fires happen.

Mr. Loewen: Okay. Why would you not use, say, a 10-year average of \$130 million as a budget rather than picking \$86 million?

Ms Yee: The \$86 million is not that much different from 2015-16. When you subtract out all the emergency funding, it was about \$95.5 million. If you go back a year before that, it would be \$94.1 million. So we are in the order of magnitude.

As we assess the level of readiness that we need to have, the other thing that we considered this year was that we have been implementing the Flat Top recommendations, which were post Slave Lake. We've already made some enhancements and improvements in the system, so we believe this figure to be correct in terms of getting us ready for this season.

Mr. Loewen: Do you see the somewhat, I would think, common-sense approach of using a 10-year average to start with, the 10-year average of \$130 million, rather than picking something that's substantially lower to start with?

Mr. Carlier: You know, the numbers that were chosen are within the range. I hear what you're saying, Member, but it has been adequate in the past. There is no reason to think that those numbers wouldn't work as a base for this year.

Mr. Loewen: So now the 10-year average on actual spending is \$270 million. Do you see something alarming there, to pick \$86 million as opposed to something that's maybe a little more realistic?

Mr. Carlier: Thank you, Member. That number seems, you know, a bit high on the base funding. That must have included the emergency funding as well.

Mr. Loewen: Of course, yes. It's total spending, the average.

Mr. Carlier: Right. Yeah. You know, the number you see here, the \$86 million, is the base funding, and then emergency funding is over and above that.

Mr. Loewen: Okay. Now, about the contracts. We previously discussed the fire line contracts and the need for transparency and openness in these contracts. You mentioned that this will be part of your 2015 review. Have there been any updates on how these contracts are chosen, and is that information released to the public?

Mr. Carlier: Thank you. There are, you know, forestry offices right across the landscape on those contracts. They're chosen for a lot of reasons, including vehicle availability, machine availability, their purposes for being able to fight those wildfires.

I'm going to ask ADM Bruce Mayer, who, again, is the forestry expert in this room, for some further insight on that.

Thank you, Member.

Mr. Loewen: Okay.

Mr. Mayer: Thank you, Chair. Thank you, Minister, Member. Our contracting process: we offer equivalent contracts to any contractor within the community that has Cats, trucks, water trucks and wants to work for us. We put the contracts in place up front to ensure that the insurance is there, to ensure that health and safety plans are in place, and should we require their equipment, then we hire them off a rotation list. Some of the contracts that we use are also publicly tendered. Those ones wind up being guaranteed numbers of days. For the contracts we do as casual – we call them casual equipment – there are no guaranteed numbers of days. It's only: pay as the equipment is used.

Mr. Loewen: Okay. The contracts that you have with these companies have been reduced from 123 days to 93 days for the water bombers. Now, have you discussed that reduction with the companies that have been affected?

Mr. Mayer: Yes, we have. We've had conversations with the two companies involved, both Air Spray and Conair. Currently the way the process works: should we require air tankers beyond the contract date, regardless of what number of days is guaranteed, we carry them on extended emergency funding. Today, as we're in the room here, we've already hired six air tankers, and they're hired on about seven to 12 days ahead of when the original contract was started. Right now there are an additional seven to 12 days that each of these companies is working. We've got another three air tankers coming in tomorrow as well.

Mr. Loewen: Okay. You say that you've been in contact with these companies. Did they express any concerns over this reduction from 123 days to 93 days?

Mr. Mayer: Member, yes, they did. They expressed some concerns. In the concerns they expressed, they talked about the capital investment they've had to make and some of the costs that they incurred. We're working with them currently, right now, not on extending the number of days but making sure that any costs that we may have incurred to them this year for preparation are covered off or dealt with so that they're not out of pocket.

Mr. Loewen: Okay. Now, what happens at the end of these contracts in the middle of August, when they run out? Do we know that these companies will be around? Are they going to make other plans after August, when the contracts run out? Will they be available if we need them for emergencies?

Mr. Mayer: Thanks, Member. Before the contracts run out, we're always watching the weather. We're always monitoring the fire situation. We will make a call long before the contract runs out as to whether to extend those aircraft or not. If a company chooses not to continue with us and to have another contract somewhere else, we still have partnerships with other jurisdictions within Canada where we can import air tanker resources, no different than last year. We exported air tankers to support other provinces, the United States. We also imported air tankers from Saskatchewan, Quebec, and Ontario, and we still have that same opportunity.

Mr. Loewen: Would there be any kind of delay in all of a sudden trying to call tankers in from other jurisdictions as opposed to having them sitting here ready to go?

Mr. Mayer: No, Member. As part of the planning process we'll be messaging a few days ahead of time to each of the jurisdictions. Both Saskatchewan and B.C. can be here within an hour, within two hours, depending on where in the province.

Mr. Loewen: Okay. Thank you.

Now, line 7.2 deals with the Flat Top Complex. This was a policy program developed out of what was learned from the Slave Lake fires, as I understand. Is that correct?

Mr. Carlier: Yes. That's correct.

Mr. Loewen: Okay. How is that program working so far, and do you have any new goals from that?

Mr. Carlier: Thank you, Chair. Thank you, Member. You know, it's important to note that it's my understanding that there were a total of 21 recommendations from the Flat Top Complex and that 18 have been implemented with some great success. One reason that we are to make some adjustments in the forestry budget is because of the success those recommendations have had. More than \$100 million has been allocated to wildfire management enhancements, including the FireSmart program, et cetera, and that's been just over the past four years. There's been some really good work that came out of those recommendations. We're now starting, as we did this year, fire seasons one month earlier. That gives the opportunity for the crews to do the recruitment they need to do, to do the retraining they do, what maintenance on equipment they have to do as well. It really increases the firefighting capacity. It has been a really good program.

Mr. Loewen: Okay. Thank you very much.

Another ABC that your department has dissolved is the livestock and meat strategy. That is line 8 on page 35. Is this funding of \$17,610,000 going to cover this agency's phase-out? What are those funds for?

Mr. Carlier: Yes, it does.

Mr. Loewen: Okay. How long will that phase-out take?

Mr. Carlier: You know, we haven't got an actual set date for this. We're going to, again, take the time we need for the transition.

Mr. Loewen: That's fine. Thanks.

What programs or initiatives will replace this?

10:10

Mr. Carlier: Again, you know, acknowledging the work that the Alberta Livestock and Meat Agency has done over the years – they have done some great work – it's important to note that all their available funds always came from Agriculture and Forestry, so rolling the work they're doing back into the department will cause a little bit of savings. But I think it was more important that the producers, the stakeholders have a direct line to government instead of having to go through an agency. I think that's, you know, important to note.

Mr. Loewen: Is there an expected consultation process to replace this entity?

Mr. Carlier: You know, we're envisioning a new advisory panel to the ministry, which would include all commodities, not just the meat industry. For most of the other commodities, including oilseeds and grains and cereals, et cetera, the programs – the grant programs, the research projects – are already done within the department. I envision it to be a fairly smooth transition. The meat industry as well comes within this department and this new advisory panel. So we're not going to lose that stakeholder input, but it's going to be now much more integrated.

Mr. Loewen: So will there be an expansion of the ag department to continue this work?

Mr. Carlier: You know, too early to tell, again, on the transition, especially around ALMA. There are going to be a few vacancies. Unfortunately, one of the tougher decisions, I think, that we have had to make was that there are going to be some job losses – right? – within ALMA. But for a lot of those folks we're hoping that if they're interested and if they apply for the positions that are going to be needed, they will be able to take in some of those folks. So there's going to be a bit of additional staff, absolutely, to deliver the livestock program.

Mr. Loewen: Okay. Thanks.

Now, moving to capital grants, we talked about irrigation infrastructure, line 3.3. You mentioned that these grants are to cover replacing older canals or whatever, aging pipelines. Would these grants be available to farmers and ranchers to tie into pivot lines or existing water lines?

Mr. Carlier: It's important to note that for the rehabilitation of the irrigation, you know, the government supplies 75 per cent, and then the irrigation districts themselves supply 25 per cent. The rehabilitation dollars go to the irrigation districts. I'm sorry, but I don't have the answer as to what specific projects go on in the irrigation districts, but I know that there are efficiencies found, for sure.

Mr. Loewen: Okay. Thanks.

Wildlife compensation: it's budgeted for \$1 million less than in 2015-2016. Has there been a decline in claims submitted by affected farmers?

Mr. Carlier: Thank you, Chair. Thank you, Member, for that. I'm going to ask, again, Mr. Jacobson for a response. Thank you.

Mr. Jacobson: Thank you, Minister, Chair, Member. Yeah, there is an anticipation of reduced claims. In the last couple of years there was an extended harvest. We saw both years that September was quite wet, which moved the harvest later, and that attracted more geese and ducks. As well, the deer and elk had longer access to crops. We're expecting more normal weather conditions going into 2016, which, hopefully, has an earlier harvest or a normal harvest, which reduces the exposure of the crops to wildlife.

Mr. Loewen: Thank you.

Alberta outdoorsmen, like farmers, are true stewards of the land. Has the minister considered working with outdoor and hunting groups to develop a strategy to put affected farmers and hunters together to reduce claims due to overpopulation of ungulates in certain areas of Alberta?

Mr. Carlier: Not particularly, but I find the idea intriguing, Member. You know, in some of my meetings with the counties there are varied programs that even the counties do around scare cannons and these kinds of things. I think that working with hunting organizations, wildlife federations, et cetera, on what they might have for ideas is a great idea. I'll take that under advisement. Thank you.

Mr. Loewen: Perfect. Thank you.

In the business plan, page 11, under Strategic Context you make mention that "capitalizing on opportunities and overcoming challenges requires enabling policy, an efficient transportation network, and consumer-targeted research and development." Farmers are required to ship their agriproducts, sometimes over vast distances, to markets. How does your government's carbon tax, which increases the cost of diesel fuel by 10 cents over the last two budgets, help create an efficient transportation network?

Mr. Carlier: Thank you, Chair. Thank you, Member, for the question. An important note just for, you know, the sake of everyone in this room – I hear what you're saying about the transportation costs. But to ensure that we're able to have marked fuel for agriculture, the purple gas, exempted from the carbon fuel: I think that's important. I think anybody in this room might realize that, you know, you're filling up your John Deere tractor because you've got the air seeder pulling behind it. There's probably very little efficiency you can find there unless through the machine manufacturer themselves, and I know they're doing good work there.

On your points about the carbon levy on transportation . . .

Mr. Loewen: Transportation of products, not specifically the farmer's use, but of course every product that a farmer uses is transported.

Mr. Carlier: Yeah. You know, actually, those discussions are ongoing. I absolutely understand what you're saying. Those conversations with the minister of environment are continuing, you know, to see where we can find those efficiencies. The purpose entirely of our climate leadership plan, including the carbon levy, is to ensure that efficiencies can be found where they can be found, but at the same time realizing, you know, the nature of our farming industry around the transporting of goods. I absolutely hear what you're saying.

Mr. Loewen: Thanks, Minister. We've just got one more question here before we run out of time. [A timer sounded] Oh, I guess not.

The Chair: I hesitate to interrupt. We'll be going to the third party, the PC opposition. Would you like to go back and forth?

Mr. Drysdale: Yes, Mr. Chair. I'd prefer back and forth if that's okay with the minister.

The Chair: Please proceed.

Mr. Drysdale: Okay. Thank you very much. You know, unfortunately, there's some overlap with questions that are all in the same department, but I'll try and get some different perspective on it. In your Agriculture and Forestry business plan, page 11, the last sentence there says, "investing in innovation, value-added agriculture." You know, I agree with that sentence wholeheartedly. It's good, and I underline the word "investing." In this budget there are little bits and pieces around, but, more specifically, could the minister explain, you know, exactly where you're investing in ag and forestry, specifically in the two different areas, and what's going on? I think this is very important and something we need to do, but I don't see a whole lot in the budget that actually shows that, and it wasn't really in the budget speech anywhere. So just some of your thoughts and tell me where you're going to actually be investing.

Mr. Carlier: All right. Thank you, Chair. Thank you to the member. You know, AFSC has loaned \$1.6 billion to farm businesses out there over the past three years. That's a large investment in the communities. Around value-added there are some exciting projects. I'm always very pleased to hear from the food processors out there, Kinnikinnick Foods, for instance, and Cheemo perogies, about what they do around using our products in the province to be able to do value-added. We have some real success stories here. One of my favourite success stories is the Little Potato Company. Everybody knows about the bags of little potatoes you get at Safeway. That is an Edmonton-based company. It was a

father and daughter operating out of the back of their pickup truck at a farmer's market. They now employ 100 people in Edmonton – right? – with these little potatoes. That's a real success story, and we have others. We'll be able to explore those opportunities.

You know, we're going to be investing \$10 million in the Leduc Food Processing Development Centre, the incubation and business centre down there, and that's going to open up many more suites. We have a waiting list of people wanting to use that facility. It was one of the first in North America, and it's still one of the best in North America to be able to develop those products. There are, you know, really exciting things going on there.

You know, you might have known that I had 20 years with Agriculture Canada. I wasn't with the research branch, but I've always worked in a laboratory there, a very science-based division of agriculture. Research and development have always been close to my heart as well, so investing more money in research – the success stories we have now in Alberta in agriculture and right across Canada are because of the research that we've been able to do.

I've been somewhat pleased, you know, as the proof is in the pudding, about the money that has been somewhat promised by the new federal government. They announced that they're going to be doing some upgrades in research in their laboratories and, hopefully, infrastructure as well in their research stations, picking certain research stations, including all the research stations in Alberta. That's important. I'm looking forward to being able to partner with them to be able to do that further investment. I think, Member, that you're absolutely right. I think that how we're going to advance this industry, as we always have, is through research and development, through value-added products, and being able to invest on the ground as well through AFSC's programs into individual farms and ranches.

10:20

I'm quite pleased that I've been able to work with the Ministry of Economic Development and Trade. I think that there's a real good overlap, very good meshing of the two ministries around that. I'm looking forward to working very closely with them on many initiatives right across the provinces, including international markets, and being able to explore those opportunities.

Mr. Drysdale: Yes. Thanks, Minister.

I think today is the day when the pulse is in the Legislature. You know, I think there's some exciting stuff there, that we can develop those markets. Specifically, I never heard anything about where there's more money. I mean, there have been lots of good things going on, and I can see where there's money in the budget, but it's old money. Is there any new money? Even more towards forestry – there's lots of opportunity there to develop – I don't see hard money for actually doing something more.

Mr. Carlier: Thank you, Chair. Thank you, Member. Absolutely. I mentioned before the exciting work we're going to be able to do around the incubation centre in Leduc. I'm really looking forward to the work they're going to be able to do there, you know, and working with Economic Development and Trade to explore new markets.

Around forestry. You know, I've got to be honest. I have a bit of a background in agriculture. I didn't in forestry. The industry itself has been really patient, really great for bringing me up to speed there. I've visited, I think, half a dozen mills or so, and I'm looking forward to visiting even more. There is some really interesting work being done in forestry as well. We're able to support them in some value-added products: a new engineered wood product, some new

types of panelling, new types of laminate structures that the industry out there is using not only for strength but, actually, for its beauty as well. They're able to shape it into different shapes. It's really interesting. There is a new development around lignin, which is a by-product of the lumber industry. They're able to use that now as an adhesive. There's a really exciting project going on with the West Fraser mill in Hinton around that. That's quite exciting.

So there are some really innovative things in forestry as well as agriculture. I'm looking forward to continuing to work with both industries. Looking forward, I think that it is in being a little bit brave, taking a little bit of a chance, both industry and government, that we're going to be able to advance both industries.

Mr. Drysdale: That's good, Minister. Good stuff. I agree. I just haven't heard whether there's new money, where you say that you're investing in this innovation. I know that there are bits and pieces, but I guess there's no big pot where we're really investing.

I'll move on from there. For example, ALMA. I've heard it all. I won't get into too much detail there, but it's winding down. ALMA was doing some work to develop products and markets, and now they're winding down. You said yourself that there may be some layoffs, so fewer people, and your department isn't adding people. Yet it's going to your department. You know, where's the increase in your department to cover what ALMA was doing? I mean, your decision is fine or whatever, but we're actually losing market development and work if we're taking that away and not adding.

Mr. Carlier: Thank you, Chair. Thank you, Member. You know, a fair enough question. We're not losing anything, right? All the existing contracts and projects and grants and programs that ALMA has are going to be rolled into the department. On a case-by-case basis if there are new ideas, new projects, new thoughts around it, it will be done as it always has been done to be able to see whether or not those projects are, first off, worth while and to do what the mandate of ALMA has been and will continue to be in the department, and that's to increase the marketability, the traceability, the environmentalism. All the good work that ALMA is doing will be able to be done in the department.

Mr. Drysdale: Maybe just quickly – and I know you touched on it – softwood lumber agreements are important for the forestry industry, and that hasn't been mentioned. You know, I know you're working to get it done, but I would like to see something more specific or even what's happening there, I guess, because it's not out in the public realm.

Mr. Carlier: Thank you, Chair, and thank you, Member. Just in relation to that, October 12 last year is when the softwood lumber agreement expired. There's a one-year grace period, I suppose, you know, for both sides to get together to see where they're going. I've been somewhat happy to hear that President Obama – I heard President Obama on CBC Radio talking about the softwood lumber agreement, so I know it's on their radar. I know they know how important it is. It's extremely important for our industry that we get some kind of agreement in place. I think the industry would like improvements, obviously, but if not that, at least status quo.

The Premier has written to the Prime Minister, and I have written to officials within the federal government to outline our position, to stress the importance of this to our industry and to the province of Alberta to our federal counterparts. I'm looking forward to being able to do that.

Now, we've got another bit of a problem. There's a presidential election down there. So my theory is that our window to be able to get something done is narrowing and narrowing and narrowing because by June, I think it is, they're going to be in the primaries.

Then they're going to be in full presidential election. They're not going to be too worried about their small neighbour to the north, right? So that's a concern.

But, yeah, it's a good point. I'm going to make a note to make sure to check in with our federal counterparts to see if they have any new news.

Thank you.

Mr. Drysdale: Okay. Thanks.

I'll turn it over to Dr. Starke for questions.

Dr. Starke: Thank you, Chair, and thank you, Minister. I appreciate the opportunity to chat with you about a couple things. Minister, I'm going to just preface my remarks by saying that a lot of the Albertans that I speak to in rural Alberta are concerned that this government is largely ignoring agriculture. When the budget document, that's 17 pages long, the budget speech, mentions agriculture once and it doesn't get mentioned till page 14, that only reinforces the perception that this government just does not care about agriculture. So I'm just wondering. What should I tell my constituents that say, "MLA, this government just doesn't care about agriculture"? What proof do you have to offer that you do?

Mr. Carlier: Thank you, Chair, and thank you, Member. You know, that citizens out there or anyone would consider that page 14 is somehow evidence that this government and myself don't think agriculture is important is – I'm not sure what it is. It seems a little bit redundant, I suppose. It absolutely is important to me. It's important to this government. We know the importance of agriculture as being one of the two largest sustainable industries in this province. It continues to be not only an important industry; it is important to the infrastructure of rural Alberta. It is important to the economy of Alberta, has been for some time.

Over and above that, it's important to our culture. Everybody realizes that the population of Alberta is becoming more urbanized, actually one of the most urbanized populations in the country, but our roots are still rural. I think, you know, a lot of people in this room and throughout urban areas still identify to their rural roots. Perhaps they're one generation off the farm; perhaps they're still going back to their grandparents' farm to help out where they can. It's absolutely important.

That agriculture was mentioned on page 14 of the budget I don't think is any proof whatsoever that agriculture is not important.

Dr. Starke: Okay. Well, Minister, thank you. I'll pass that information on to my constituents.

I'd like to pick up the line of discussion on ALMA because we have had a lot of questioning. As you can probably imagine from my background, this is an area that's of particular interest to me. I'm wondering, just for the record, if you could outline what the four key goals of ALMA are, just for the room.

Mr. Carlier: Thank you, Chair. Thank you, Member.

Dr. Starke: You know, actually, Chair, in the interest of time, what we'll maybe do is that I'll just read them off here into the record. It says: "increased customer access and market development," increased "product differentiation," "enhanced productivity," and "sustainable development." These are critical. In fact, when we had this discussion 140 days ago, Minister, and I asked you about ALMA at that time, you mentioned that you recognize the important work they do, a strong supporter of our livestock industry, and that they provide \$32 million to provide grants and programs that support research and innovation and you mentioned your tie to research, which, of course, is very important, and to

support innovation going forward for the value-added development in enhancing our food security. So when ALMA gets wound down, I'm very concerned about those functions, whether they will continue or not.

Now, you said in your opening comments that there's a \$3 million operational saving by winding down ALMA, yet the budget for ALMA and the budget for the livestock and meat strategy, according to pages 46 and 35 in the estimates, are down by \$7.5 million. How can you explain the discrepancy between those two numbers?

10:30

Mr. Carlier: Thank you, Chair. Thank you, Member. You know, I understand what you're saying. I understand the importance of ALMA and have recognized that both publicly and privately to the board and the staff of ALMA. I will continue to do so. We are taking a bit of a transition period to wind down ALMA to make sure that the transition is smooth, that we don't lose the good work they're doing as it rolls into the department. Funding for agriculture programs and services that support the livestock sector will still be maintained at \$20 million, and the stakeholders will have input into granting those priorities and decisions, as they always have.

It's important to note that there is a bit of a saving here. In the long term the dissolution of ALMA would save, you know, \$3 million a year. Equally important, the work that they're doing can and will be rolled into the department and will continue.

Dr. Starke: Okay. The \$3 million a year: let's focus on that, then. You've talked quite a bit about this broad-based panel. What's wrong with the existing board of directors that ALMA has? I went through their biographies. I'd find it hard to find a group of more broad-based and outstanding individuals with experience in a wide range of things from across the nation. I'm just saying: why do you think that the panel you plan to name is going to work better and more cohesively than the existing ALMA board of directors?

Mr. Carlier: Thank you, Member. Thank you, Chair. You know, I don't recall in any of my comments that I thought the existing board hasn't been very effective. They absolutely have been. Like I said, I have been able to talk with some of them about the work they are doing. A lot of those folks, you know, supply advice in other aspects of agriculture as well. I value their input and hope to continue, at least with some of them, having their input within the new advisory panel. How that shapes up is yet to be seen.

The panel will be integrated with other – as I'm sure you know, Member and others in the room as well, agriculture is already very integrated. There's a lot of mixed farming out there. We're interested in the other commodities as well, not just livestock and meat. I really believe that the new advisory panel would be able to take advantage of that integrated nature of agriculture, including livestock.

Dr. Starke: Well, thanks, Minister. I appreciate that. I guess that I don't share your optimism, sir. I mean, I've been in rooms of beef producers, just beef producers, the feedlot guys and the cow-calf guys, the backgrounders, and you can't get those guys to agree. And now you're going to set up a panel that has all commodities represented? You know, in the document here it talks about the elimination of these boards and agencies, that the more comprehensive perspective that represents many agricultural products will be somehow superior to the advice that you're receiving right now. You know what? I guess it remains to be seen. I can't say for sure that it won't be better, but I have my doubts.

I'd like to move to the ministry business plan, Minister. It's interesting. I compared the ministry business plan from last October

to this year's ministry business plan, and I noticed right away that one of the desired outcomes has disappeared. It's desired outcome 4, "Alberta's agriculture and forest industries are more diversified and maximize product value." In fact, a lot of the priority initiatives there have also disappeared. I'm wondering why and what is being done to ensure that those important outcomes and objectives are still being met by your department.

Mr. Carlier: Thank you, Member, for the question. You know, I'll refer to outcome 1, "Alberta's agriculture and forest industries are positioned for increased growth." I heard you say earlier that you don't share my optimism. I'm afraid that I'm a fairly optimistic person by nature. I think the forest industry in particular has, obviously, some challenges, but there are some good times for them and I see some good times continuing. The price: there are always challenges. We mentioned the softwood lumber agreement. The low dollar right now, even though we've seen a bit of a bounce back, continues to be good for the industry.

As to your specific question, a lot of the issues and outcomes we were looking for in the past budget are still there, but they're more in outcome 1 now in the business plan.

Dr. Starke: Okay. So desired outcomes 4 and 1 have been kind of rolled together.

Minister, I'm curious. Earlier this week your colleague the economic development minister announced the Alberta input tax credit program. That Alberta input tax credit program outlines a number of what you folks call nontraditional sectors for investment. Those were information technology, clean technology, health technology, interactive digital media and game products, and postproduction visual effects and digital animation sectors. Now, I note that agriculture isn't in there anywhere. I'm just wondering: shouldn't we be investing in canola research rather than who makes the next Candy Crush Saga?

Mr. Carlier: Thank you, Chair, and thank you, Member. I think Candy Crush Saga is worth about \$5 billion, so I wouldn't discount the gaming industry, which I know nothing about. I suspect that maybe some of our younger members on this committee know better than I do, but there is, actually, quite a large gaming industry in Edmonton itself. They developed some of these games.

Dr. Starke: Why isn't agriculture in the program? That's what I'm asking.

Mr. Carlier: Yeah, yeah. There was an environmental aspect there. I understand that agriculture wasn't mentioned specifically. There are probably a lot of different sectors that weren't mentioned specifically. But in agriculture there are some high-tech innovations, you know, looking forward to some work around the bioenergy sector, around the biofuels. There are a lot of very interesting success stories happening already.

The Chair: I hesitate to interrupt, but the time allotted has completed.

We will now go to the independent members. Dr. Swann is the only one in the room. Would you like to go back and forth with the minister?

Dr. Swann: Yes, I would. Thank you very much.

Thanks, Minister, and thank you, staff, for being here. As you know, I've been a strong proponent of farm worker safety, and Bill 6 is close to my heart. It's now over four months since that bill was passed. I guess I have questions about the budget and whether there are some constraints in the budget or what some of the factors are

in the slow implementation of Bill 6, at least the consultations. I wanted to know who represents farm workers on these panels. We know that there's a large agriculture coalition formed of 30 different groups, who certainly will have their voices heard. I guess I'm wondering about the voice of farm workers at these consultations.

We're dealing with a bill that's a labour bill, primarily. It's got to do with labour standards, employment standards, child labour, workers' compensation, and occupational health and safety standards, all of which fall under Labour. These are questions that perhaps we can have a brief discussion about. How balanced is the consultation process when farm workers for a hundred years have never had a voice on any of these issues?

Mr. Carlier: Thank you, Chair, and thank you, Member, for that very important question. It's something that, you know, has been top of our minds for some time now. I acknowledge the efforts you have made on this over the past years and appreciate that. I think we've already gone a long way. We understand from Minister Gray, when she addressed the House, the uptake by workers that have had to access WCB claims. It works to the point where we have a system now. It looks like it's working in workers' favour. It's unfortunate, obviously, that workers are injured and have had to rely on being able to be compensated, but I'm very thankful that the compensation is at least there.

Now, as to the technical working groups, as you can imagine, Member, the difficulty was finding the worker representation itself. As you know, by law they weren't allowed to organize, so we couldn't go to an organization to find these workers. So that was a bit of a challenge. It has been a bit of a challenge being able to find those people, to recruit them. It was important that we have farm and ranch workers, as you acknowledge, on those technical working groups. We've had to do quite a bit of beating the bush, I suppose, to be able to find adequate representation. We believe we do now and are close to being able to tweak those. We've had a really good uptake on people applying for membership on these technical working groups, which we're quite happy with, right across the sector, right from greenhouses to elk growers to grains to cereals to oilseeds to strawberry growers. It was quite great that way.

10:40

Dr. Swann: How balanced do you think the tables will be with owners and farm workers?

Mr. Carlier: I guess it depends on the definition of balance, but working with my colleagues, including the Premier, on reaching that balance, I really think all of us are going to be quite pleased with that balance. You know, I'm looking forward to being able to actually get out and release these names. I think it's been a bit of a challenge, and part of it, the length of time we've taken to this point, might be that we've got these people there, but what has changed in the meantime? You know, what has changed around their lives that they're perhaps no longer interested for a whole host of different reasons? So the challenge there is making sure – again, I'm thankful that we have so many names to draw on and that we're able to have alternates as well in case people, for one reason or another, are no longer able to take part.

Dr. Swann: What kind of supports are you able to give to farm workers to enable them, first of all, to have the information they need, to have the confidence to speak, to have the resources to get to a meeting, to actually address the issues that affect them so profoundly?

Mr. Carlier: Absolutely. Thank you, Chair, and thank you, Member. This is also very important. Around the resources we're

going to be making sure that they're not out of pocket but that they're compensated for their time and for their travel, you know, meals, all those kinds of things. That's the physical side of things.

The part about how they will be able to take an active part: we've been very careful in picking our facilitators, our mediators. In the early days, you know, I thought we should be picking someone who was an expert in the industry, but as was rightly pointed out, what we really need are experts to be able to facilitate, to be able to work with whoever is in that room, able to draw them out so that they're able to participate. So I'm quite happy that the chairs that we've chosen are able to do that.

I've had some experience in being able to do that kind of work myself in the past. I know that as adults we learn differently than we did, perhaps, when we were children and are able to participate differently than when we were children. Good facilitators, which I really believe we have, are able to draw out the experiences, the knowledge that those workers have.

So I'm confident that our chairs are able to address the concerns that you brought up.

Dr. Swann: Since this is primarily a labour bill, would you consider transferring the responsibility for the implementation of this labour bill to the Labour minister?

Mr. Carlier: For the most part, that will be what it is. I felt it important at this stage that we have a very strong agricultural lens on it, that we don't have the ability to – you know, I'll be honest. Like I said earlier, it was really hard to reach out to the workers themselves. On the commodity groups themselves it was a lot easier. I've pretty much got those folks on speed-dial. To the previous member's questions, worrying about input from those folks and being able to reach out to them and that they sometimes have internal politics, which they do, they've been able to gather around all the commodity groups, including all of the meat industries, including the grains and cereals and other commodities, in what they themselves call an ag coalition. So we're working with them as well to ensure that work.

I hear what you're saying. Ultimately, it is a labour bill. When we have the recommendations, when we're able to work with the agriculture folks, we're looking forward, absolutely, to working very closely with the Minister of Labour in the final rollout of the OH and S regulations.

Dr. Swann: Thanks very much.

Shifting gears to chronic wasting disease and game farms, which are incubators for wasting disease, we have a growing problem in western Canada, Saskatchewan particularly but Alberta in addition, with uncontrolled wasting disease in southwestern Saskatchewan moving increasingly into Alberta. Now one-quarter of our province is considered a risk area for wasting disease and requires the heads to be examined.

We now also know that even though in the farming of deer and elk they may well have low numbers of infected animals so far, wild animals and penned animals mix and that these prions persist in the environment for decades. It's only a question of time until we not only have widespread infections such as Saskatchewan now has, but I guess we now know as a result of research this year that the prions live in the soil, they live in growing plants, and they contaminate seeds. As we've discussed before, there's a concern that international markets, for whatever reasons, might decide to boycott our agricultural products because we now know that the prions are part and parcel of our plant kingdom, including contaminating the seeds that we sell.

I'd like to know what we're doing both collaboratively with Saskatchewan and nationally with the federal government to start getting wasting disease under control. It's a threat to our agriculture industry, widespread, and it could be another BSE crisis, that cost us so much money and so many lives in terms of their business opportunities. I don't see any budget item relating to chronic wasting disease and the potential threat. If it jumps species into cattle, for example, and certainly if it . . .

The Chair: Hon. member, I apologize for interrupting. I do want to caution that we stay within the scope of the budget estimates as well.

Dr. Swann: Thank you.

Mr. Carlier: Thank you, Chair. Thank you, Member. Yeah. On that, Member, I know that you and I have had the conversation before, and I share a lot of your concerns. In Alberta, we take, you know, the concerns about disease and pathogens that are in the open landscape very seriously. Chronic wasting disease: our monitoring system in Alberta is quite robust. There have been 76,000 animals tested since 1996. Other than that there was, I believe, a case last year, we hadn't had any previous cases that tested positive in Alberta since 2003.

Dr. Swann: That's on the farms, though. That's on the game farms.

Mr. Carlier: That's true. That's true. Yup.

Dr. Swann: We're not talking about the wild here.

Mr. Carlier: That's right. And we're still testing. I'm going to ask ADM Curran to give his input here for a second, you know, being an expert there.

But I know, Member, you and I have had the conversation about what Saskatchewan is doing as well, so I was able to look in to see what they were doing. My understanding – again, ADM Curran can help out – is that Saskatchewan is still doing a monitoring program, but over the past few years they're testing less or maybe even less wildlife themselves, right? Actually, I share your concern on that, knowing that their instances of testing positive for prions are quite a bit higher than ours. I'll let ADM Curran fill in more details as he also is the expert in the room.

Thank you.

Dr. Swann: Thanks.

Mr. Curran: Thank you, Minister. Member, we actually . . .

The Chair: Sorry; can you just introduce yourself for the record as well.

Mr. Curran: My apologies. Jamie Curran, ADM of food safety and technology.

The Chair: Thank you.

Mr. Curran: We continue to do ongoing surveillance, you know, Member, in partnership with the Canadian Food Inspection Agency. They have a stamp-out policy: when a domestic cervid farm actually gets a disease, they eradicate the population.

Then, in addition, you know, through ALMA, actually, there is funding for research and a significant amount to the prion institute. They continue to do that type of research in terms of what they can do to create vaccines or those types of things as they relate to chronic wasting disease.

In addition, you know, we partner with our fish and wildlife folks to collect heads. Our laboratory services actually do all the chronic wasting disease surveillance. Anyhow, we get about 4,000 to 5,000 heads annually, that we do surveillance for, and we've had about 200 in the wild population that have been impacted.

So at the end of the day we're focused on surveillance, we're focused on research, we're focused on working with the federal government and partnering with them in terms of strengthening our surveillance networks and our research initiatives to help support the industry.

I think I'd leave it at that. There is no human health risk that's been associated with this that the CFIA has flagged, so we continue to follow that science-based approach.

Dr. Swann: Thank you. Well, we said that about BSE, too, that there was no human health risk until there was and we lost over 160 people because of BSE.

There needs to be a much higher level, I think, of interest and commitment federally as well as provincially to getting this thing under control. Are you working with your federal counterpart to try to get more investment in control measures as opposed to research?

Mr. Carlier: Yeah. CFIA, you know, has a large role in that, obviously, as you're suggesting, both in chronic wasting disease and BSE. I think it's important that we look at this, we continue with the science, being able to approach the science, making sure that it's science based, and looking at it and making sure that this isn't an issue. I take your suggestions on working more closely with CFIA. Though we are, you know, I take your suggestions to heart, that perhaps there's more we can approach there and perhaps having that opportunity to talk with my counterparts when we all sit down this July.

10:50

Dr. Swann: It's now estimated, in the latest paper that I saw, that about 10,000 infected animals are consumed by people every year in the northern U.S. and Canada. The heads are not being tested because in Saskatchewan they cost \$140 to test, and the government no longer pays for the testing. First Nations and others are eating the animals without testing them. So I think we've got something brewing here that I'm not sure we're quite ready to deal with, and I'm not seeing the sense of urgency in both federal and provincial governments, especially with Saskatchewan.

Shifting to antimicrobial resistance, it's an issue that I raise every time we meet in agriculture. Again, I'd like to see us follow such countries as the United Kingdom, Norway, Denmark, Sweden, and the Netherlands, all of which require antimicrobials used for growth promotion to be banned and instead require prescriptions, veterinary prescriptions, for antibiotic use where it's needed. Provincially Quebec, too, has started to require this, and changes are coming but slow. We have a growing and serious antimicrobial resistance problem. Do you have any budget associated with this change, and if not, why not?

Mr. Carlier: Right. Thank you, Chair. While we're looking for specific budget items on that, we have been able to give a \$250,000 grant to the Alberta Veterinary Medical Association on a workshop on just that issue, on antimicrobial resistance. I absolutely share your concerns. I think that's important. It's been an issue that I first read in the news, you know, many years ago, right? On that issue I think the industry has gone to great measures. I had the opportunity to explore the labs at the University of Alberta, the genomics lab. Fascinating science there. The vast majority of it was going over my head, but they were able to dumb it down a little bit for me and able to explore what they're doing in genomics to have animals that

are naturally more resistant so they could be able to use fewer antibiotics and, as a side note, less feed as well, which would help in other ways. Some really fascinating, interesting work there.

I'm not sure if ADM Curran has anything more fulsome to add, but I'm going to ask him in case he might.

Mr. Curran: Jamie Curran, food safety and technology. A couple of things around AMR. The Public Health Agency of Canada, of course, has taken a very aggressive approach to working on a governance model across Canada that includes public health officials and departments of agriculture. We're going to be an active participant in that. Also, through our research dollars we've provided through ALMA a \$1.45 million grant to Alberta Beef Producers to support research and ongoing work in the AMR space, understanding that there's not a single sort of thing that you can point to with respect to AMR in terms of the problem. So we're working on surveillance, we're working on research, and we're working on stewardship, trying to drive innovation and figuring out a strategic approach on how we work with the public health system and work with our ag community sort of to drive those solutions that they're looking for.

Secondly, we want to understand and work with the feds in terms of the regulatory approach and how we work with our producers, who are taking a very proactive approach. Alberta beef is one of them. Our poultry producers are another in terms of how you deal with AMR and how you actually work and shift to meet the market demands around hormones and those types of things. We're very committed to that.

Dr. Swann: I guess I've been hearing that for the last 10 years. I guess I'm looking for more action rather than more research. It's quite clear that there is an overuse of antibiotics, and that overuse both in medical practice and in veterinary practice is causing resistance. So what's the barrier to actually getting action on it?

Mr. Carlier: Yeah. Thank you, Chair. Thank you, Member. You know, it's my understanding that the industry has taken steps now. I hear what you're saying, that more action could and probably should be taken. Back to the science: I think there's been good research – right? – and research is great. I think that's the start but then to apply that research to practical terms. I take what you're saying to heart. I think I would agree with you that that's important. Research, as long as it's science based and able to achieve results that we're able to achieve, I think, is worth further exploring, and we should. It's obviously not just a situation in Alberta. It's world-wide.

I might have the opportunity this summer to sit down with agriculture, state secretaries, and ministers in Canada as well for a very small conference, sit down with them or perhaps the deputy minister to talk about that issue as well. I think it's important, especially in livestock, how integrated it is, you know, with our American market. It's a larger conversation, not just Alberta. Yeah. I hear what you're saying.

Thank you.

Dr. Swann: Finally, with respect to renewable energy and reducing our carbon footprint, are you looking at ways to enable farmers and food producers to use solar and other energy more economically so that you can actually accomplish both our goals, which are more food production and at the same time less carbon footprint?

Mr. Carlier: Yeah. Thank you, Member. Earlier this year I was able to announce a bit of a grant initiative, incentive program, of \$5 million for farmers to be able to access alternative energy, solar panels in particular, and \$5 million, actually, is not a large amount

of money. It's almost a pilot project, but there was a really good intake. I believe 86 projects came out of that for farmers to be able to do that. I've since then had several producers, including a dairy producer here north of the city, who are almost 100 per cent on solar.

I have two constituents, one that I have met, who have a small farm close to Mayerthorpe. They don't have any wires running to their operation. They're, you know, a hundred per cent renewable energy, which was fascinating. They did this without any incentives. They did this, actually, as they see it as a cost saving in the long run. It's important to note that there are a lot of interesting projects out there that we don't – I suspect as Canadians we have a tendency not to brag, so we don't brag about our success stories very much either.

In the forestry industry, now, I believe the number is 45 or so. There are about 45 or so.

The Chair: Hon. members, I hesitate to interrupt. The time has now elapsed.

We will now proceed to government caucus members. Would you like to go back and forth?

Ms Fitzpatrick: I would.

The Chair: Okay. Please proceed.

Ms Fitzpatrick: Good morning, Chair, and good morning, hon. minister. I'd like to ask a question which is related to the ABC review. I see that your department seems to have been disproportionately impacted by the review, with exactly half of the ABCs under your stewardship being dissolved. One of the organizations that I am, I guess, most concerned with is the dissolution of the Alberta farm safety council, especially given the recent reports from the Workers' Compensation Board that there have been well over 150 approved claims in just the first few months since WCB coverage became mandatory for farm and ranch workplaces. As you know, I've been a health and safety advocate for many years while in my third career in the federal public service. The dissolution of this council has definitely caused me concern. Will this impact the delivery of the farm safety programming that is funded by your department?

Mr. Carlier: Thank you, Chair. Thank you, Member, for that very important question. The Alberta Farm Safety Advisory Council, you know, was set up by the previous government. I have absolutely no problem to give credit where credit is due. There was a lot of good work that came out of that safety council, a lot of recommendations that have been implemented. The fact is that the Alberta Farm Safety Advisory Council gave its final report in 2012, right? They haven't met since 2012. It's my understanding, I don't believe there are even any board members currently sitting because the boards have expiry dates on them, so they have expired. They gave their last report in 2012.

It's important to note that this government has moved above and beyond what was even advised by that advisory council in our farm and ranch worker safety legislation. We've moved above and beyond, taken the work that the council has done and built on that past that. It's important to note, again, that the farm safety council hasn't met since 2012, and they gave their final report in 2012.

Ms Fitzpatrick: Okay. Given that farm safety has been an increasingly important issue for the past few years, how does the dissolution of this ABC promote better outcomes on farm safety, particularly for kids?

11:00

Mr. Carlier: Thank you, Chair. Thank you, Member. On the broader scope of farm safety I know that in the past few months we were concentrating a lot on farm safety, on the paid nonfamily workers themselves, which is important, and we'll continue to do so. We'll continue to do the good work there.

But, as you say, what about the other people that are on that farm, including the children? The safety council was able to make, you know, some recommendations. The Farm Safety Centre and Ag for Life are two organizations that receive some funding from the department, being able to do the good work there that they are doing. I've had the opportunity to meet those folks several times. Ag for Life, just as an example, do a project in Stony Plain where they get a lot of city kids out to learn about safety on the farm, about what farming life is like.

We don't want to see – tragedies are tragedies. We need to protect those kids on the farm, right? Workers are important, obviously, as well, but all of us need to do what we can do to protect children on the farm. No one is going to think twice that a child should be able to run around an autobody shop. Of course not. They shouldn't be running around a grain auger either.

Now, I know that the vast majority of all farmers and ranchers want to keep themselves safe and their children safe, absolutely. If we can give them even a few more tools, whether it's education or equipment or legislation, whatever it might be, to keep the workers safe and the children safe, then we should be doing that.

Thank you, Member.

Ms Fitzpatrick: Thank you very much for that answer. Certainly, it's an issue that touches me, too.

Throughout your business plan you have mentioned about the need to engage in effective communication with Albertans so that they are heard and represented. We know that there are many issues in agriculture, and consultation with stakeholders is key to success in the agriculture industry. I know from my experience with you at the farm safety meeting in Lethbridge that it is difficult to hear those concerns and ideas when there are groups in front of you that do not want to hear what is being offered. What will your ministry do to ensure that stakeholders continue to be heard given that many of the forums through which they would traditionally express their views are being shuttered by the ABC review?

Mr. Carlier: Thank you, Member. On the worker legislation it's worker safety, you know, and worker rights. That process continues. I'm looking forward to that. I think I've said earlier as well that the commissions, the organizations themselves have formed an organization, what they call the ag coalition. Working with those folks, there are some really good people in there, and there are some really good answers to a lot of the questions that we have. They're working with us to be able to increase safety on the farms for the workers. That's our focus now, but it's absolutely important that we continue with safety programs – Ag for Life, farm safety centres, et cetera – for everybody on the farm as well.

We have a strong ongoing relationship with the stakeholders. I'm looking forward to expanding that stakeholder network to include more and more, you know, organizations that want to promote safety, whether it's education with the farm children or actually going out on the farms themselves.

Some of the best farmers in this province are on the Hutterite colonies. You know, unfortunately, we see tragedies there as well, but I know they have a really strong uptake on educational material that we have in the Hutterite colonies as well. I'm looking forward to be able to work with those folks, to be able to

continue to do that work, knowing that we have the funds available to be able to do so.

Thank you.

Ms Fitzpatrick: Thank you.

The Alberta Livestock and Meat Agency, ALMA, was dissolved in this year's ABC review. Among other things, ALMA helped to fund applied research at many postsecondary institutions in our province. Because my community of Lethbridge is highly economically integrated with both agriculture and the postsecondary sectors – in fact, we've got a huge program going on between the university and ag and the college – many in my constituency want to know: what will happen with the money that came from ALMA to fund research? I have two parts to this question. So what will happen with the funding? And I'll get to the second one after you answer that.

Mr. Carlier: Thank you, Chair. Thank you, Member. The Alberta Livestock and Meat Agency, it's my understanding, was set up some years ago to support the industry, especially as they moved away from those dark years, when their markets were much slower because of the BSE issue, that we all want to stay away from. All organizations should stay flexible enough to evolve, but in the early days with ALMA the thought was that industry was going to contribute a lot of those funds as well to ALMA. That hasn't happened, for better or for worse. You know, I'm not here to say anything about that, knowing that ALMA was still doing really good work but with one hundred per cent of its money from Agriculture and Forestry, from the government itself.

The projects that they're doing – the research around applied research at the universities and the institutions, the forage growers – will continue to be funded. There's still \$20 million there that will be funded. It's important work, and it's going to be honoured, and it will continue within the government.

We're still absolutely looking for input from the stakeholders out there, and we'll continue to do so, whether it's through the new advisory panel, or, as a lot of them know, they can pick up the phone and give me a shout.

Ms Fitzpatrick: Okay. Kind of following on that, for the constituents who might have applications in with ALMA, what will actually happen to their applications?

Mr. Carlier: You know, for applications along with grants and projects that are actually ongoing now, the applications will be processed in the short term by ALMA because the lights are still on at ALMA, right? They're not all of a sudden, you know, somewhere else. Their lights are still on. ALMA is still functioning as we progress through the transition period. As we progress through the transition, a lot of those functions that they're doing around the projects, around the applications, around the grants will then be rolled into the department. I'm hoping and foreseeing that it will be a smooth transition, and we're taking the time necessary to do so.

Ms Fitzpatrick: Okay. The feeder association loan guarantee program. Under line 6.1 in the operating estimates we see spending for lending assistance to agricultural producers and other job creators in rural Alberta. Related to this, will the government consider increasing the government guarantee in the feeder association loan guarantee program?

Mr. Carlier: Thank you, Chair. Thank you, Member. This has been an extremely successful program. It's been operating for about 80 years with, you know, very little risk to the government. It has been successful. It's been something that the industry has been able to

use, too. That's one of the reasons we have such a robust beef and livestock industry in Alberta now. We have, I believe, close to 50 per cent of Canada's herd right here in Alberta. So that's a big part of it. They're able to use this loan guarantee program to be able to leverage even more funding from regular institutions to be able to do that. We're talking with industry right now, with the stakeholders, both large and small, to see what more we can do, and that's perhaps including the loan guarantee program, to be able to increase that funding.

There's been a bit of a dip in beef prices. My understanding is that it's gone up slightly, but prices for the most part are still pretty good, so it's a good opportunity for new producers to come into the market. We're seeing quite a few new producers, actually, coming in. A lot of it is, you know, that the young guys and women were out in the oil patch and perhaps are no longer employed somewhere in the oil industry, so they're now coming back to the farm, and they want to start up businesses, right? So it's been able to help out a lot of the new folks as well as the folks that have been able to use this, leverage this program to be able to continue their own operation. Those talks are continuing, and I'm hoping that very soon we will be able to announce something on that.

Thank you.

Ms Fitzpatrick: Okay. Thank you very much, Minister.

On page 37 line item 1 in the estimates document talks about the federal government program Growing Forward. How does providing grants to large corporations such as PepsiCo's Frito Lay Canada, which actually has a huge operation in Lethbridge, tie up with this?

11:10

Mr. Carlier: Thank you, Chair, and thank you, Member, for that. The food processing industry in Alberta is quite robust. The sector employs 86,000 Albertans and is responsible for \$9.7 billion in exports, both large and small. It's important that we're able to maintain that industry, you know, throughout Alberta. Being able to use a grant program to incent corporations, large and small, to be able to set up shop in Alberta only helps Albertans, helps the producers in the long run. We've had, again, a lot of really good success stories, including PepsiCo and Frito Lay in Canada. Several years ago, if you recall, Spitz seeds in southern Alberta was started by a Dutch farmer. He has since sold out to PepsiCo as well, right? So PepsiCo is a part of our economy now and has been a great partner in developing industries around sunflower seeds. You can't go to a ball game without sunflower seeds, so it's important, right?

Continuing that, we have been able to enhance individual producers and agrifood businesses right across the spectrum, right from small to large. We shouldn't be excluding large corporations. It's an important part of the industry and the economy in Alberta, and it incents them to do what they do, the good work they do in Alberta.

Ms Fitzpatrick: Okay. Thank you.

There was a question asked by members opposite that is kind of similar to the one I'm going to ask, but I'm going to ask this because I need a better understanding. Line item 5.5 of the estimates talks about how to position Alberta's agriculture and food industries for increased growth. In this regard I'd like to ask: have changes been made to funding for regional exhibitions and agricultural societies within your budget? What does that mean?

Mr. Carlier: Thank you, Chair, and thank you, Member, for that question. We are in tough financial times, right? We've seen our revenue from oil royalties be decreased by 90 per cent. You know,

that's tough. To my understanding, it's been 40 years since we've had similar circumstances. So it's tough, but I am happy that we're able to maintain the funding for agricultural societies, the Agricultural Services Board, and the regional exhibitions. These are important. They're important to the culture of rural Alberta, but they're important for the rural economies as well. They're able to support jobs. They're able to support the exhibitions: the barns, the rodeo grounds, the bucking chutes. Last year for some reason there was a rush on grants for bucking chutes, so we've got a lot of new bucking chutes out there.

There's \$2.8 million for regional exhibitions and an additional \$8.6 million for the rural agricultural societies. There are nearly 300 of those agricultural societies right across Alberta. It's, again, one of those success stories. I always look forward to talking to agricultural societies, the good work they do. If you go to pretty much any small town in Alberta, there's a rural agricultural society that is doing something, that is planning for the rodeo next month or planning for a hockey tournament, or there is going to be a women's bonspiel, or there are various children's groups within the towns themselves that they are supporting. They're great organizations. They're great people. The backbone of this province, of rural Alberta, is our volunteers, and I'm quite happy that we're able to support them where we can.

Ms Fitzpatrick: Okay. I'm going to ask my colleague to ask the next question.

Mr. S. Anderson: Thank you.

Thank you, Mr. Chair. I'm going to continue on. You just kind of alluded to it, that agriculture is fundamental, obviously, to this province. It's something that this province was founded on. Near and dear to my heart, I have family that are in ag, mostly in Saskatchewan now. You know, one of the things that was mentioned in the budget, which made me very excited because it's something that I've been pushing a lot, and that I think a lot of people didn't realize was down in Leduc is the Food Processing Development Centre. It's meant for product development, and it's designed to strengthen and expand our capability of food processing in the province. I was actually fortunate enough to welcome a Chinese delegation with the mayor of Leduc down there, and within 15 minutes of being there, they recognized how incredible it was and asked about how much it was to buy the place.

Mr. Carlier: Did you sell it?

Mr. S. Anderson: No. We kind of laughed it off and went: this is what we're, you know, up against, right? So when the Finance minister mentioned it the other day in the budget speech, I was pleasantly surprised. I didn't realize he was going to say something about it. It got me pretty excited. On that I see, like I said, that the capital plan has funding in place for the expansion, but I'm just kind of curious. Could you describe a little bit more what the \$10 million allotted to this project will be used for and how it might impact the economy in my riding of Leduc-Beaumont?

Mr. Carlier: Thank you, Chair. Thank you to the member. Yeah, the Food Processing Development Centre and the Agrivalve Processing Business Incubator in Leduc is, again, a real success story. You know, to my understanding, we were one of the first in North America to set up such an incubator centre, and it has been very successful, to the point where there is actually a waiting list of people wanting to be able to take advantage of it. So we're able to open up more suites. There's actually going to be a physical capital expenditure in the centre to expand the building itself. My understanding is that it had been designed for this eventual

expansion anyway, so we're really happy to be able to do that. We're able to get more producers, processors in there.

My understanding is that if they have the opportunity to be able to do the incubator centre, the businesses looking to set up food processing, it increases their chances of success by 80 per cent, right? And they are able to do that. They are able to get their business going. They are able to test their products. There is top-of-the-line equipment in there, processing equipment that they are able to use to be able to test their product, and they are able then to go out and multiply, right? They go out into the landscape. They're able to then set up their shops, be able to employ people. It's been a great success over the past few years.

The Chair: I hesitate to interrupt, but we'll now proceed with the 10-minute rotation, so it's five minutes per individual member. We'll be starting with the Wildrose opposition caucus.

Would you like to share your time or go back and forth?

Mr. Loewen: We'll go back and forth. First, I want to turn the time over to the Member for Battle River-Wainwright for just a couple of minutes.

The Chair: Okay. Please proceed.

Mr. Taylor: Thank you, Chair, and thank you, Minister. I have an amendment that we would like to make. As everyone knows, Wildrose firmly believes that our government spends too much money. We've spoken here today about the many important functions that this ministry performs and the need for adequate funding, but it is simply not true that this government is delivering all of its important functions effectively or efficiently. Put another way, not all of these dollars that we are asked to approve here are vital to delivering the services Alberta needs.

Alberta spends 20 per cent more on government operations than B.C., and in comparison with Ontario it's even worse. That said, agriculture, forestry, and rural products are crucial areas of focus for Albertans – they certainly are in my riding of Battle River-Wainwright – so we are not suggesting significant spending reductions across the board for this ministry. But it's irresponsible and immoral to take on \$40 billion in debt over the next three years, and that means that a lot of hard choices have to be made. Obviously, playing around with the firefighting line item is not the same thing as finding savings. So we are asking the minister to work harder to find efficiencies. He knows his department better than we do, so the onus is on him to find the best places.

We are also going to make some very modest suggestions here about where you should start, right off the top, and it's in your minister's office. Category 1 is ministry support services, and we're asking you to make do with a little less, about 5 cents for every dollar. Last year's annual report noted that 10 per cent of the public service has left, so these vital savings should be attainable without layoffs. We fully recognize that there is important work to be done in your office, your deputy minister's office, your corporate services department, your communications folks, and in HR, but to get the finances under control, we all have to do a little more with a little less.

11:20

So I'm proposing the following amendment, which I would ask the clerk to distribute now. For just those line items, suspend 5 cents for every dollar spent last year. This is a place where you can begin with some of the efficiencies that we are asking you to focus on this year while ensuring that Albertans are still well served by this government.

Mr. Chair, shall I read out what the proposed amendments are?

The Chair: Yes, please.

Mr. Taylor: Okay. I move that the 2016-17 main estimates of the Ministry of Agriculture and Forestry be reduced as follows:

- (a) for the minister's office under reference 1.1 at page 34 by \$37,000
- (b) for the deputy minister's office under reference 1.2 at page 34 by \$39,000
- (c) for corporate services under reference 1.4 at page 34 by \$670,000
- (d) for communications under reference 1.5 at page 34 by \$206,000
- (e) for human resources under reference 1.6 at page 34 by \$153,000

so that the amount to be voted at page 33 for expense is \$715,708,000.

I tried to come up with something that I thought we could find agreement on, so it's just these modest reductions, 5 cents for every dollar from last year's spending levels, to reduce some items on the ministry's office category. You'll note that we left the Farmers' Advocate proposed budget out of the savings suggestion.

I would ask all committee members to discuss this and take this amendment in good faith and, hopefully, persuade their fellow caucus members to support it when we get to that vote, when the estimates are completed. Thank you.

I'd like to turn it back over to Mr. Loewen.

The Chair: The five minutes have elapsed, so the time is returned to the minister.

Mr. Carlier: To me?

The Chair: He utilized five minutes with the amendment, so you can utilize a maximum of five minutes during the allotted time.

Mr. Carlier: Okay. Thank you, Chair. Thank you, Member. I seek a bit of advice from the chair because, you know, this is my second estimates in my long, long political career.

I want to make a few comments on what the member had been talking about. You know, I'll be honest. I take some offence that the work we're doing is somehow immoral. I would disagree there. He said there's no reduction. Overall we actually have a 2 per cent reduction as well as a 2 per cent reduction in people power, in actual people on the ground. So we were able to find some efficiencies. I would agree with him that the important work that Agriculture and Forestry does in support of rural Alberta will for the most part continue, and I'm very happy to be able to do that.

Chair, on the amendment itself, is it open for debate here, or does it go back to the House? How do we proceed?

The Chair: I'll allow the clerk to chime in if I'm incorrect with this. The amendment will be tabled to the House on May 17 if I'm correct. There's no vote on it at this time, but you can discuss it as it was part of the conversation that was had.

Mr. Carlier: All right. Thank you, Chair.

The Chair: You still have three minutes remaining as well.

Mr. Carlier: Well, then, let's not waste that.

You know, budget decisions were based on finding opportunities for those efficiencies. I'm understanding from the members from all over this room that agriculture and forestry are our shining lights at the moment. We have some issues around revenue, and it's not just about revenue, obviously. As important as that is, as important as our deliberations are today – and I'm welcoming the comments

from all sides on those. Deliberations around our budgets are important, but, of course, what's more important are those jobs. Our jobs plan will be able to put Albertans back to work around infrastructure, in agriculture and forestry. There are always challenges, always will be. It doesn't matter the commodity price. It doesn't matter the weather. There are all kinds of concerns that are out there. Taking into account all that, agriculture and forestry are doing quite well right now.

It's important to note that sociologists are telling us that there are going to be 2 billion more people on this planet by the year 2050. We're going to be able to take advantage of that. I'm going to suggest to everyone that we have a responsibility there as well to feed some of those people that are going to be on this planet, and we're going to be able to do that. We're going to be able to do that with research and development. We're going to be able to do that on, probably, existing cultivated acres, looking at efficiencies around the application of fertilizers, around new seed technologies, around water applications, around chemical applications.

We're going to be able to do that by taking into account something I picked up from some of my colleagues in the United States: naturally raised, scientifically enhanced. I like that term. You know, some folks out there are using: GMOs. I like: naturally raised, scientifically enhanced. That's a success story in Alberta, as it has been in Canada. We're going to be able to use the science-based knowledge that we have now to expand our crops and be able to take advantage of what we've always taken advantage of, and that's our good environmental stewardship – we'll make tweaks where we can to make that better – and our good water for the most part, and let's pray for rain; and our good soils as well; and, of course, our farmers and ranchers out there that have for several generations now done such a great job in the industry.

Thank you, Chair.

The Chair: Excellent. There are 20 seconds remaining if we have any comments from the opposition bench.

Mr. Loewen: Yes. I just want to go into wildfire management. What analysis has the department done of the air tanker situation reports to justify the 25 per cent cut in the contracts?

The Chair: I apologize and hesitate to interrupt, but we will now proceed with the PC caucus.

Would you like to go back and forth and share your time?

Mr. Drysdale: Yes, Mr. Chair. We'll go back and forth with the minister.

The Chair: All right. Please proceed.

Mr. Drysdale: Okay. Minister, you know, this folding of the Farm Safety Advisory Council has some concerns with me. I know that they were giving you advice on stuff, on safety on farms. With all the stuff going on with Bill 6 and safety on farms, I think safety for farmers has always been a pretty high priority to them. I've always claimed and said before that education is way better than legislation. So helping farmers or educating them to do more on safety is a lot better than legislation, that will just cause some paperwork.

I know you still have the same money in the budget for ag societies. I know in a lot of our communities ag societies have done great work on education for farm safety, I think far more than what legislation is going to do to improve safety. It's a pretty small amount in the budget. And it's a good thing.

It's been stated about the 160 claims already. Well, more than half of them are old WCB members. They're not new. You know,

more reporting doesn't mean there are more accidents. I mean, I think the accidents are the same, but now they're just getting reported.

Anyway, I won't go there, but I just have concerns with the folding. When you talk about farm safety and all this legislation yet you do away with the farm safety council, it gives me concern.

Mr. Carlier: Thank you, Chair. Thank you, Member. I understand your concerns – right? – and I believe in your sincerity. The agriculture safety council was able to give their final report in 2012. You know, they haven't met, they haven't given advice to government since 2012. They did some good work. There were a lot of recommendations that have been implemented from there.

11:30

I really, truly believe that this government has moved above and beyond that with our legislation. I hear your comments about legislation, and I hear your comments about education. Now, legislation is just another tool in the farmer's tool box to use to be able to increase that level. I've heard some people talk about: well, this legislation will form a level of safety culture. I would say that that safety culture already exists. Everybody wants to be safe. They want to go home after work safe. If we have anything in our tool box, including legislation, to be able to raise that safety level to another level, why don't we? We should, and we are going to do that.

We already know from the Minister of Labour that the compensation that workers have received because they're injured at work has already taken place. They're able to be compensated, able to continue to put food on their own table while they, hopefully, recuperate from their accident. Many of us who have grown up on family farms have had our own share of accidents. I'm missing, actually, quite a few front teeth because of a farm accident.

You know, the council's recommendations actually focused on promoting education, and that was important at the time. That good work continues. The Farm Safety Advisory Council report on farm safety emphasized education, awareness, and co-ordination. The co-ordination part is important. I think that there are a lot of folks out there doing a lot of good work, but they shouldn't be doing it in silos. There should be a little bit of co-ordination, including with, you know, the Ministry of Education, frankly, to be able to have as much education as possible.

Now we have another tool in our tool box – and that's legislation – to be able to increase our level of safety even that much higher. Absolutely, I acknowledge the work that the safety council has done – their report was in 2012 – implementing at that time and continuing to implement those recommendations, the advice they were giving to all those folks at Ag for Life and to groups out there that are doing the safety, continuing that good work. We've moved above and beyond that, looking forward to further results from our recent farm and ranch worker safety legislation.

Thank you, Member.

Mr. Drysdale: I've just a couple more, really quickly. I'll ask some quick questions, and hopefully I'll get a quick answer. You know, the Alberta Grains Council is to be dissolved, and the estimated amount is \$885,000 or whatever this year. Will this money go towards the newly mandated panel, or where is that money going to go?

Mr. Carlier: You know, that's a good question. It's important to note that the new advisory council is not going to be a formal agency, board, or commission. I'm looking forward to some of that money saved there going into the work that the new advisory panel will be doing.

Mr. Drysdale: Okay. One more quick one, then: how long do you anticipate for the wind-down of ALMA? Listening today, it sounds like it could be a lot longer. It doesn't show in the budget. Is it this year or in five years?

Mr. Carlier: I hear what you're saying. You know, we're looking at upwards of probably six months to be able to do that. What's important there is not so much the funds available, that kind of thing, to ALMA itself. It's making sure that the projects, the programs, and the grants that they're administering, whether it's to research institutions or otherwise, continue. We're going to make sure that that transition period is smooth. I've had the opportunity to talk to both the board chair and the president and CEO of ALMA in discussions around the transition. They understand what we're talking about, and they're very happy to be able to work with us as we go forward with this transition.

Thank you.

Mr. Drysdale: Okay. Thank you.

I'll turn the rest of the time over to Dr. Starke.

Dr. Starke: Thank you. Thank you, Chair. Thank you, Minister. I appreciate your commitment to ALMA and the ongoing research. I think that's the really critical element. I'd just like to have it on the record: are you committing, then, that the research projects that are currently being funded will be funded for the full duration of the agreements that are in place?

Mr. Carlier: Yeah, absolutely.

Dr. Starke: Excellent. Well, that's great.

A couple of numbers have come up that have kind of puzzled me. Earlier on you said that ALMA was funded one hundred per cent from the department, from Agriculture and Forestry. Looking at the estimates, though, those are not the numbers I have. In 2014-15 there was a significant source of other revenue, and I understand that's partly a federal transfer for Growing Forward. Like it says, about 94 per cent, actually, is a transfer from the department and 98 per cent in this most recent fiscal year. I mean, that's pretty close to a hundred, so I guess I don't mean to split hairs, but for the accuracy of the record I just wanted to make sure that that was there.

The other question I wanted to ask. Minister, you mentioned that there's a 2 per cent cut in your staffing complement. Did I hear that correctly?

Mr. Carlier: Thank you, Member. Not so much a cut. It's my understanding that it's more vacant positions that haven't been filled.

Dr. Starke: Okay. Looking on page 123 of the fiscal plan, in your department, actually, the full-time equivalent is going from 1,667 to 1,672, an increase of five. Interestingly, even though you're winding down the Alberta Livestock and Meat Agency, the full-time equivalents there were 35 and continue to be 35. You know, there are a lot of savings, either \$3 million or 7 and a half million dollars, depending on which number you want to use, by winding down ALMA. You're continuing the research, which is good. You've got the same number of full-time equivalents, which you need to, I guess, run the program. I'm just wondering: where are the savings going to come from?

Will you commit to giving members of the Legislature at this time next year a full report, in winding down ALMA, as to how and exactly where those savings were realized? I would really like to know how we're going to save the kind of money that you're talking about when, you know, staff is staying the same and we're keeping

the research commitments the same. Where is that money being saved?

Mr. Carlier: Thank you, Chair. Thank you, Member, for the absolutely fair question. Somewhere in my deliberations here, perhaps even in my opening speech, I talked about how in the long term there is going to be \$3 million in savings in ALMA, with consideration that there are going to be some full-time equivalent positions lost as we wind down ALMA, but there are going to be other things to consider there; you know, whether to finish other contracts. Perhaps there are going to be some severance issues. There are going to be some lease issues as we close offices. So we're going to anticipate the savings in the long term, not necessarily the short term.

As for staffing, we did hire an additional five people to continue the implementation of the Flat Top Complex report on the Slave Lake fire, so that increase is there.

As for ALMA, yeah, there are probably not going to be a lot of short-term savings in ALMA, but there will be in the longer term.

Dr. Starke: Okay. Well, one last question, Minister. This will be easy because we discussed this before during the Bill 6 consultations. I have a real concern about OH and S inspectors going from farm to farm and the biosecurity issues. In fact, one proponent at the Vegreville conference said that any OH and S inspector would have to park at the gate and come in in their underwear before she'd let them onto the property, and she says that she's not even too fussy about the underwear. I'd like to know: what assurance can you provide that these inspectors would have proper training? Will you assure producers that if there is a disease outbreak as a result of an OH and S inspector visiting, you or the department will accept the liability for the losses?

Mr. Carlier: Thank you, Chair, and thank you, Member, for that question. Knowing that your . . .

The Chair: Sorry. I hesitate to interrupt, but the time has now elapsed.

This time would be allotted for the independent member, but seeing that there is no one here, we will now proceed with government caucus. Would you like to share the time with the minister?

Mr. S. Anderson: Back and forth would be perfect.

The Chair: Please proceed.

Mr. S. Anderson: Okay. Thank you, Chair. Thank you, Minister. I appreciate your comments before about agrifood and everything. I could go on about that, but I won't.

There's another important issue that is kind of close to my heart as well. High-speed Internet access is a vital tool for rural economic development. Some people say that maybe there was some wasted time and money previously on this; it depends who you talk to. But, realistically, many of my constituents and many people I've talked to don't have reliable Internet in rural areas.

Now, I know a fair bit about this because my background has been telecommunications for about the last 10 years or so. There are a few different ways you can do this. You have some of the big cable companies, you know, which normally aren't out in the rural areas. You have your Shaw, your Eastlink, Camrose cable has their own, and then you get the big telcos. Some of the reasons for not having Internet out there are the way the copper lines work. I mean, you can run a fair amount of data on these copper lines, but they can only go a certain distance. The reason why you have voice out

there is because they go through magnetic loops, which you can't put Internet on. A lot of people don't know about that.

11:40

The other part is the old party lines, that some of the younger people here might not know about. You can't have splitting off the signal with copper lines like that. It just doesn't work for Internet. That being said, there's a big telco company – and I worked for it – Telus, that is trying to do some improvements out there. They are investing millions of dollars in Alberta, which is fantastic.

I've had a lot of discussions about it at AAMD and C and the AUMA, and a lot of mayors and reeves and councillors have asked me about it because they know my background. We're looking at some things like fibre, which I used to work with a lot. O-NET down in Olds has their own system, which is quite interesting. I mean, they still have to rely on the big telcos to help them out a little bit with some of the maintenance and those types of issues, but it's fibre to the home, and that is phenomenal because of the amount of data that you can run on that. I mean, basically, they don't have a limit yet. They're running a lot of that on there. Anyway, it's quite fun to do.

I digress because I love talking about this, but what I really would like to know and what some of the people in my area want to know is: do we have anything in our budget to support expansion of rural Internet and these types of things?

Mr. Carlier: Thank you, Chair. Thank you, Member, for the question. You know, it's become very important in rural Alberta, partially, I suppose, because people want to be able to access the Internet for – what's that TV program? – Netflix. It's become a business issue as well, right? I know some folks in the industry kind of take offence for some reason, but it's almost come to the point where it's a utility. People are relying on it. They rely on it in urban Alberta. We all rely on it. We've all got cellphones. You know, there's no wondering anymore because we don't have to wonder about anything. We have the answer, and it's in our hand, right?

I know from my own experience – I'm on a small acreage west of the city, not very far from downtown Edmonton, about 85 kilometres – that I have extremely poor Internet service. I have no cell service to speak of. Not necessarily a bad thing, but it's hard. If you're trying to get a hold of me on my cell when I'm home, you're not going to be able to.

I was able to go down to Olds and have a meeting with O-NET. The fascinating, exciting things they're doing there. Their Internet speed is lightning fast, right? Now, I'm not sure – Member, you probably know this better, being much more versed in the field – how practical fibre is to rural Alberta. We don't have the population base, probably, to make it economically feasible, but we absolutely need to do more. There is the federal government's budget. They're allocating half a billion dollars, \$500 million, over five years to invest in Internet expansion and advance in rural and remote Internet.

We do have our own programs here, the Alberta final mile program. The government provided a total of \$6.5 million to support a total of 27 projects. I think we need to do more. We need to be able to find those efficiencies, perhaps elsewhere, to be able to do that. You know, farm equipment is now coming that's able to be hooked up to the Internet, the farm equipment itself. Again, it's not because they want to watch *The Sopranos*. It's because they're able to download programs that the machinery is using. Things are going high tech everywhere, as you can imagine, and in the farming industry as well. They're able to, you know, use GPS. They're able to use programming for their varied applications of chemicals or fertilizer or even water now. To be able to do that, they need to have

good broadband. They need to have access to the Internet, right? That's important work.

I'm looking forward to be able to do what I can with my colleagues in caucus, whether it's the Minister of Municipal Affairs or of Service Alberta. We know that the current contract for the SuperNet is, I believe, expiring next year – I think so – so we're looking forward to being able to have another service contract. Technology changes – it changes by the minute – so the new contract will take advantage of that new technology. We look forward to be able to have a more robust broadband service to rural Alberta because it's important if we're going to expand this industry. If we're going to be players in the world market, we need to have that infrastructure in place.

Thank you, Member.

Mr. S. Anderson: For sure. Thank you, Chair. Thank you, Minister.

Yeah, you're right. I'm glad you brought up about the utility and the high-tech part of it. I think that for some of these small towns – you know, we're losing rural towns. Kids are moving to the city, and it's because of that. If they want to start a business, they need the Internet. So thank you. I appreciate that. It's good to know.

You know, I and also my family come with a forestry background in logging and pulp mills and things like that. One of the other things I know that's been really troubling us – and we thought it was going to stay in B.C. – was the mountain pine beetle. We know now that it's crossing over, and we're getting some issues. It's taken up quite an area in B.C. now. I think 16 million of the 55 million hectares of forests in B.C. are being damaged by it, and it's one of the most significant blights we've ever seen. Traditionally because of the cold we've been okay, but we've seen with climate change that it's really warmed up, like this winter. Obviously, we've had a pretty mild winter. I've talked to some of the other members of our caucus as it affects more than forestry. Like I say, it's important to me, so I was just kind of curious: are we doing anything to protect these forests from this threat? If you could go, hopefully, in detail but just whatever you can tell would be great.

Mr. Carlier: Thank you, Chair. Thank you, Member. My understanding is that in the early days, when B.C. was seeing more and more infestation of the mountain pine beetle, you know, there was a lot of science that they thought was accurate at the time that turned out not to be. Alberta doesn't have to worry about it? No. Those things, as all beetles do, fly, but they can't get over the mountains. Well, here they come. They're over the mountains to the point now where we do have a problem. We do have an issue. On the eastern slopes there are some, and the federals have a bit of a problem, too. There are some in Jasper national park.

As an example of how versatile these critters actually are, there are some in the Cypress Hills interprovincial park as well. If you know where Cypress Hills is, there's no other forest. There's no forest around it, right? What they envision had happened was that the beetle took flight and got up in the airstream somewhere and landed in Cypress Hills. They would have starved to death anywhere else, right? But they landed in Cypress Hills, so they actually have them in Cypress Hills as well.

In Agriculture and Forestry we're committing \$32 million for the fight against this pest. It's important. It's not for the eradication – I wish that was true – but it's for the control.

Saskatchewan: other than the pocket in the southwest in Cypress Hills my understanding is that they don't have an infestation, so they commit 1 and a quarter million dollars, I believe, towards our own fight against the pine beetle. It's important.

On a personal note there, my son is currently up near Slave Lake somewhere doing his job on that, taking trees out and burning them when they see an infestation. So there's money allocated to that. It's important. My understanding is that it hasn't spread. It was forecasted that it was going to spread by so much and by so much in so many years. That forecast has changed a bit. It hasn't been spreading. It's still a dangerous threat, but it hasn't been spreading as we thought it was going to.

In Jasper national park, again, it's my understanding – I haven't had a meeting with the superintendent. I think I would like to. In the previous they took – it's a national park, right? What are you going to do? You're not going to destroy the trees, but you can't let the pine beetle destroy the trees either. The new superintendent, it's my understanding, has taken a bit more of an aggressive approach than has happened in the past. Again, it's my understanding that they're looking at a controlled . . .

The Chair: I apologize for interrupting here. The time has lapsed. We will now proceed for another 10 minutes with the Wildrose caucus.

Would you like to go back and forth with the minister?

Mr. Loewen: Yes. We'll go back and forth.

Just as a warning, minister, we want to be quick with the answers on these questions. We're running out of time. We've given lots of time to talk. Now we want to get to answers.

I just want to first start off with: the Member for Vermilion-Lloydminster asked a question and ran out of time, on biosecurity. Could you answer that question, please, quickly? It was dealing with liability regarding OH and S, travelling from farm to farm and transferring dangerous pathogens.

Mr. Carlier: Yes. That's a good question. That's important. I'm not sure if it has to be to the point where people have to strip right down, but it's important to remember as well and not just in biosecurity. I think our . . .

Mr. Loewen: It has to do with liability, though. Will your department accept liability regarding a situation like this?

Mr. Carlier: Well, OH inspectors wouldn't be in my department.

Mr. Loewen: Will any legislation cover this?

Mr. Carlier: Cover OH inspectors?

Mr. Loewen: Will the government take responsibility? How about that?

Mr. Carlier: For spreading pathogens?

Mr. Loewen: You're the one that's forcing OH and S inspectors on the property.

Mr. Carlier: I haven't forced a single OH and S inspector anywhere.

The Chair: I hesitate to interrupt here, too, but we do need to stay on the matter at hand, which is the budget estimates here.

Mr. Loewen: Okay. We'll carry on.

Are there any partnerships moving forward with your department and Service Alberta?

Mr. Carlier: Yeah. There's going to be a partnership. We're going to work closely with Service Alberta on, for instance, the broadband situation.

11:50

Mr. Loewen: Okay. Now, back to 2.4. We talked about this already, but what I would like is a line-by-line breakdown on budget line 2.4. Can you give me that? How many line items are under 2.4?

Mr. Carlier: Thank you, Chair. Thank you, Member, for that question. I know you're looking for a quick answer, but it might not be a quick answer for this question. But I'm going . . .

Mr. Loewen: Okay. Can you get that for us?

Mr. Carlier: We have it now if you want it.

Mr. Loewen: Okay. Let's go.

Mr. Carlier: Yeah. I'm going to ask Mrs. Halldorson. Thank you.

Mrs. Halldorson: Anne Halldorson, senior financial officer. I believe you're referring to policy, strategy, and intergovernmental affairs for \$5.6 million. That is made up on a detailed – we have a percentage of just over \$4 million in salaries and wages. We have approximately \$1.2 million in supplies and services, and that provides forward-looking and innovative policy analyses and advice for strategic planning co-ordination across ministry and intergovernmental policy files and negotiations and delivery of various programs in support of AF's vision and strategic goals. A portion of this budget also does include the expenses of the office of the assistant deputy minister for policy and environment.

Mr. Loewen: Okay. So that's the complete breakdown, \$2.4 million and \$1.2 million?

Mrs. Halldorson: No; \$4.3 million and \$1.2 million.

Mr. Loewen: Sorry. Yeah. Okay. Thanks.

I asked the question here, but then I ran out of time last time. What analysis has the department done of the air tanker situation reports to justify this 25 per cent cut in the time that they have in their contract?

Mr. Carlier: I'll let ADM Bruce Mayer supplement that as well. It would be important to note that the tanker contracts, you know, are now three months, but those months will conclude mid-May to mid-August, which are, I understand, about 93-or-so per cent of our major . . .

Mr. Loewen: Okay. I just want to know what analysis the department did on that. If he's going to answer, then we'll let him answer.

Mr. Carlier: All right. Thanks. Bruce, go ahead.

Mr. Mayer: Thank you, Minister, Chair, Member. Bruce Mayer, ADM of forestry division. The analysis that took place was the number of fires that air tankers actioned. We did an assessment. The majority of our fires are in May, June, July, and August. As an example, in 2015, 96 per cent of the wildfires that air tankers were on were in May, June, and July.

Mr. Loewen: Okay. Thank you. Could you provide us with the reports on that analysis?

Mr. Mayer: The statistics? Yes.

Mr. Loewen: Okay. Thanks.

Now, most times government does risk assessments also. Was there a risk assessment done on this shortening of contracts?

Mr. Carlier: ADM Mayer?

Mr. Mayer: Thank you Minister, Chair, Member. The risk assessment, Member, was based on when fire events happen and when air tankers are needed. As I indicated, the majority of air tanker use occurs in May, June, and July to about mid-August.

Mr. Loewen: Okay. Thank you very much.

We're going on to page 11 on the business plan. I'm wondering if there are any capital plan expenditures to deal with the decline and availability of hopper cars.

Mr. Carlier: Thank you, Chair. Thank you to the member. There are no capital funds available for hopper car replacement.

Mr. Loewen: Okay. Thank you very much.

On page 12, under outcomes, key strategies, and performance measures, outcome 1 states that "Alberta's agriculture and forest industries are positioned for increased growth." Is there any research or documentation to back up that?

Mr. Carlier: Thank you, Chair. Thank you to the member. I'd like ADM Burdek to chime in here if he could. Thanks, Dave.

Mr. Burdek: Dave Burdek, assistant deputy minister of policy and environment. Yes. In terms of the agriculture and forestry industry positioned for growth there are a number of different indicators. We have an economics and competitiveness unit as well as a statistics branch that tracks not only gross farm revenues, exports, imports, number of jobs by sector but also growth in various sectors as well.

When we take a look at the success that Alberta agriculture producers across the province have had in international markets, we can track expansion in those areas as well. We have targeted growth strategies by georegion: Asia, North America, Russia . . .

Mr. Loewen: Okay. Have you got any documentation on this that you can provide us?

Mr. Burdek: Absolutely.

Mr. Loewen: Perfect. Thank you. If you could undertake to do that, that'd be great.

Okay. Under 4.1, key strategies. One of the problems some farmers and ranchers deal with is the generational transfer of succession when it comes to grazing leases. Is the ability to make it easier to pass this on via inheritance or sale to the next generation something that you will be looking into?

Mr. Carlier: Thank you, Chair. Thank you, Member. You know, in conversations with the Minister of Environment and Parks – grazing leases are under her purview and not mine, but I hear what you're saying. Those conversations with Environment and Parks will continue.

Mr. Loewen: Okay. Now, with your government's commitment to accelerate the phase-out of coal in our province coupled with massive layoffs in the energy sectors, what is your jobs strategy to replace those jobs so that rural communities that rely on agriculture as well as these jobs won't simply wither and die?

Mr. Carlier: Thank you, Chair. Thank you to the member for the question. Yeah. I'm quite happy to note that we have a very robust plan that will include the consultation with communities and with those workers over the next, you know, decade and a half or so to

ensure that we have a transition to a new economy, whatever that economy is, whatever training there needs to be, keeping note that a lot of these plants were going to be shut down by the federal government. The previous federal government had no plan at all. I'm happy that we do have a plan and looking forward to be able to do the support that we need, where we need it, and how it's needed.

Mr. Loewen: Okay. Minister, last year one of your key priority initiatives was the pine beetle strategy. Is this no longer a key priority for your department?

Mr. Carlier: Thank you, Member. There's still \$32.5 million allocated to the pine beetle fight-back strategy, and that will continue. It's my understanding that the forecast now for the pine beetle, even though it's still a serious threat, is that it hasn't been the threat that we thought it was, you know, even a few short years ago. But it continues to be a problem, and it's still a priority.

Mr. Loewen: Okay. Are there any plans to check forestry imports for signs of infestation, or is this already being done?

Mr. Carlier: You know, I don't know the science behind that, if that's even a possibility on imports. We are exporting our forestry products. But I'll ask ADM Mayer if he has any insight on that.

Thank you.

Mr. Mayer: Thanks, Minister, Chair, Member. In particular, any logs that come across from B.C. have to come across debarked, without bark on them. That's the evidence at that point that there is no beetle hiding under the bark when the trees come across.

Mr. Loewen: How about firewood?

Mr. Mayer: As well with the firewood there are check stations at transportation weigh scales, and our staff would also look at that.

Mr. Loewen: Is there any kind of cost impact for the forestry sector from pine beetles? Is there any update on the impact, the cost, the loss of revenue for the forestry sector?

Mr. Mayer: No, there hasn't been any documented loss. There have been some technological . . .

The Chair: I apologize and hesitate to interrupt.

The final minute will be allocated to the third party, the PC caucus.

Mr. Gill: Thank you, Mr. Chair, and thank you, hon. minister. As you know, I'm a new kid on the block, and I've been watching this for the last three hours. I actually thought it'd be more fun than this. Hon. minister, it seems like QP to me.

Anyway, I probably have like 10 seconds left. A quick question. As you know, hon. minister, provinces have recently been looking into a protein highway project, a regional branding exercise, that from my understanding looks to raise the quantity of marketable high-protein crops such as lentils, dried beans, and peas. How are you initiating Alberta farmers to diversify into these types of crops, does this budget put a dollar figure to it, and have you signed on to those initiatives in this budget?

Mr. Carlier: Thank you, Chair. Thank you, Member. Great question, especially today, when we're going to be . . . [A timer sounded] Pulses. Pulses all the time.

The Chair: I apologize for the interruption.

Congratulations, Mr. Gill, as well.

I must advise the committee that the time allotted for the items of business has concluded. I would like to remind the committee that

we are scheduled to meet next on May 2, 2016, for the consideration of the estimates for the Ministry of Labour.

Thank you, everyone. The meeting is adjourned.

[The committee adjourned at 12 p.m.]

