

Legislative Assembly of Alberta

Title: **Wednesday, May 16, 2001**

8:00 p.m.

Date: 01/05/16

head: **Committee of Supply**

[Mr. Tannas in the chair]

THE CHAIRMAN: Good evening. I'd like to call the Committee of Supply to order. A reminder to all hon. members that, as is the usual custom, only one member stands and speaks at a time. For the benefit of those in the gallery, this is the less formal part of the Assembly, as you may be able to determine. If you're looking over your maps of where people are, they may or may not be there because in the committee stage members are allowed to move about quietly and to sit and talk to other people as they want. If you want to speak, you must speak in your place.

Tonight we have a couple of estimates, Agriculture, Food and Rural Development and then the Community Development department, but before we commence the evening's deliberations, I wonder if we might have unanimous consent to revert to Introduction of Guests.

[Unanimous consent granted]

head: **Introduction of Guests**

THE CHAIRMAN: The hon. leader of the third party.

DR. PANNU: Thank you, Mr. Chairman. It's my privilege and distinct pleasure to introduce to you and to all of my colleagues in the Assembly a very special group of Edmontonians today. They're all seated up there in the public gallery. They're all distinguished in their own fields, have a quite enviable record of achievements and a record of contributions to Alberta and Edmonton. They are part of a group called the Free Spirits. They've been in existence for at least a half dozen years, and my wife is part of this group. Let me introduce all of them first and then ask them to rise and receive the warm welcome of the Assembly. Maybe they can start rising as I name them. They are Barbara Belch, Carol Berman, Paula Brindley, Marguerite Gendall, Pat George, Jackie Hildreth, Shashi Kalia, Cath Lopaschuk, Cathie Lylock, Lynne Morgenson, Swinder Pannu, my companion of the last 44 years, Razia Sachedina, and Saroj Singhmar. Please give them all a warm welcome.

head: **Main Estimates 2001-02**

Agriculture, Food and Rural Development

THE CHAIRMAN: We'll call upon the hon. minister and Deputy Premier to begin this evening with her comments.

MRS. McCLELLAN: Thank you, Mr. Chairman. I will start by introducing a couple of guests in the gallery: our deputy minister of agriculture, Brian Manning – and Mike and Faye are with him – and Maureen from my office, who I think everyone knows.

I'm going to give a very, very brief overview of our budget and business plan so that we have lots of time for questions. I'll start with some general comments, and I don't think these are comments that anyone would be surprised to hear.

Our agricultural community is faced with some very serious difficulties related to input costs and world prices for products and the potential for weather problems, and that's a subject that we could probably spend the whole next hour just discussing. Hence, highlighted in this budget is assistance for the agricultural industry.

This budget contains programs to assist the industry with rising input costs and other items. Funding in this budget we hope will help us deal with the immediate concerns so that we can go on and concentrate on solutions for sustainability in the industry.

The budget for program expense for 2001-2002 is \$883.3 million. That's an increase of \$255.5 million when compared to the last year's budget. Of course, the largest budget increase appears in the farm income support allocation and is for the assistance for the \$10.29 cultivated acreage payment that was announced on April 27. I can say from the comments I've had from my colleagues in the Legislature and from farmers that have called me that this was very welcome.

When we announced this program, we said that this is to support producers in a time of difficulties, difficulties that are caused through no fault of theirs, and that this would help with a transition period. We certainly have to find long-term solutions for the issues that are facing farmers, and that is what we hope this assistance will do. We are going to be dealing with some of those issues through the ag summit process. We expect the Agrivantage teams to have some recommendations to us over the period of the next month and that we will address most of these issues by the end of December.

Additional funding of \$17 million has also been included in that program, and of course you would know that that is to extend the winter natural gas rebate program over the summer months for the province's irrigation farmers, greenhouses, and alfalfa processors. I think all members understand that it was entirely up to the producers, the greenhouse owners, or the alfalfa dehydrators to choose the four months that they would apply this, because they don't get it twice. I think they know that.

Crop insurance, shown on page 43 of the estimates, shows an increase of \$12.2 million, up to \$201.7 million. Of course, this is based on a rolling average loss to premium ratio for the past 20 years.

The next significant budget change is for sustainable agriculture, which shows \$2.3 million. We recognize the importance of food safety on the viability of the industry and the need for vigilance for the health of Albertans. Therefore we've included in the budget a \$2 million increase for food safety programs.

A final comment just on numbers. The budget shows \$61.7 million for quota exchange and restricted expense. That is an increase of \$2.4 million over last year. However, that expense, before the Finance minister gets excited, is offset by a corresponding amount of revenue that's included in other revenue. In other words, these items that are termed restrictive have no effect on the ministry or the government's net operating results, the bottom line.

The restricted revenues and expenses, for those who are not familiar with that term, relate to the price equalization pool operated by the Dairy Control Board, which is part of our ministry.

Those are the most significant funding changes in the ministerial financial plan for this year. However, I should point out that this plan is based on the assumption that, one, commodity prices will not decline further, that interest rates will be reasonably stable, and that we will not experience a disastrous year of claims on the farm income disaster and crop insurance programs. These assumptions mean that achievement of the plan is subject to some major risks, including widespread crop losses due to bad weather, conditions such as drought, which we seem to be experiencing right now, further declines in global commodity prices, especially for crops, and changes in economic conditions such as higher interest rates or the strengthening of the Canadian dollar. These three items have the potential to affect farm income dramatically and, in turn, indemnities paid out under crop insurance and the farm income disaster program. The financial plan is obviously not designed to deal with a disastrous year of claims under these two programs.

The business plan I'll only touch on very briefly. This plan is a bridge to the longer term solutions that we're working on with industry to develop through the Ag Summit 2000 process. I know that if we work in these areas, we can assist the industry to remain one of the cornerstones of our economy. Many of the initiatives that were recommended by summit participants are addressed in the plan that you have in front of you. I know that many of you in this Assembly attended a number of the summit meetings, so I will just highlight a few strategies and major initiatives.

Under goal 1, "improved industry competitiveness," we will "advocate policy, legislation, regulation and institutional reforms that assist industry to respond to growth opportunities," including negotiating with the federal government for marketing choice in Alberta for wheat and barley.

Under goal 2, "increased amount of value added to industry commodities, products and services," we will "encourage new and expanded investment in value-added processing." We are seeing that occur almost daily in this province. I would recommend to all members that they take advantage of the offer, especially for the capital region, of some information that shows how many businesses in this actual capital region process agricultural food and ship the value-added product to over 100 countries in the world.

8:10

Under goal 3, "increased diversity of commodities, products and services," we will support the agriculture industry in its efforts to "take advantage of emerging life sciences opportunities." In that, we speak of things like nutraceuticals, a great opportunity in that area, especially with the marvelous research capability we have in this province. I believe there are some 37 researchers at the University of Alberta that do research in agriculture, plus many other areas of research opportunities through the Alberta Agricultural Research Institute and others.

Environmental stewardship: very important to us. We will "provide guidelines, standards, regulations and legislation for environmental performance requirements to sustain the quality of Alberta's soil, water, air and agriculture land resources."

Finally, under goal 6, "continued excellence in food safety," we will "develop and maintain targeted food safety surveillance systems that validate the safety of Alberta's agriculture and food products." We have performance measures in the document. I think they are quite self-explanatory, but I would welcome any comments from hon. members where they feel that those performance measures can be strengthened.

We remain very confident that the food and beverage industry will continue to grow during the period of 2001 to 2004. I want to remind hon. members that \$16.5 billion is the extent to which this industry impacts us on a cash basis. We are targeting that shipments of value-added product will increase by 9.5 percent by 2004, and that target is \$9.2 billion. This is an ambitious target, but I do believe that with the quality product that we have, with the entrepreneurial people that we have in this province, with the stable fiscal regime we have in this province, we can meet that goal.

That is a summary. It's a very quick one, but I will look forward to your comments and respond appropriately. Thank you.

THE CHAIRMAN: The hon. Leader of Her Majesty's Loyal Opposition.

DR. NICOL: Thank you. It's a real privilege tonight to stand and comment on the budget and the departmental allocations of the minister responsible for Agriculture, Food and Rural Development. Mr. Chairman, as you know, this is an area of special interest to me.

This is where I've spent my life working: in agriculture, agriculture policy, and the kind of issues that are important to appropriate rural development and directed rural development. I've really enjoyed the last nine years, and I hope that as I move on in this position here, I still don't lose my touch with the agriculture ministry, because it's a really important area for me.

To the budget tonight, Mr. Chairman. I guess I'll start with and go through some of the issues that came up with specific numbers that I've noted, and then I want to spend a little bit of time on some of the issues that come up in the context of the business plan and some of the comments and suggestions from the community that we heard through the ag summit process and on questioning where those have gone and how they're being implemented.

The minister began tonight by talking about how we have to accept the fact that there's a lot of risk associated with this budget, and I think this year everybody in the agriculture community recognizes that. We have to basically be willing to look at this in the context of a document in progress as we see whether or not it rains in the next month and whether or not we see any kind of significant improvement in world prices.

Some of the things that basically come up in the context of the overall budget – I'll just kind of start with a very brief overall comment on how it's structured here. For the last six or eight months we've had a lot of discussion about the reorganization that's going on within Alberta Agriculture, Food and Rural Development in terms of their different focuses and how they're putting together kind of a structural team approach that crosses a lot of the other program outlines that we used to have within Alberta Agriculture. Yet as we look at this budget, there's no attempt to try and build that new structure into the reporting system that we have here so that we don't see any kind of a change to this focus, you know, the complete flow-through in terms of what constitutes the rural community, the product, the export market development, the value added, all in the context of these value chain concepts that get talked about very directly and very often in the agriculture community.

In many ways the restructuring was supposed to reflect some of those issues, yet in this budget we see the same old traditional types of breakdowns in terms of the judgments. From that perspective, the question that I would put to the minister directly is: basically, the accountability that we need to deal with in the context of the budget, how soon can we see those kinds of budget numbers so that we can trace it back to the actual activities and performance of Alberta Agriculture as it undertakes this structural transition?

I'll just go through the programs here to start with. The thing that comes up in terms of the second program, where we'd looked at the planning and competitiveness part of it is that there's a real kind of out-of-line number that shows up on the table on page 31. We started off with a budget last year of \$67 million. That was in comparison to \$219 million the year before and a projected actual expenditure of \$310 million this year, and then they're putting in for the current budget \$351 million.

The question that comes up there is: is it a typo? Is it a reporting error that we've got a number that's so far out of line in the context of what was in the 2000-2001 budget, what was actually spent in 2000-2001, and what has been budgeted in both the year previous to that and this year's budget? Why was it that one year, particularly last year, the budget was so low, yet the expenditures were basically in line with the two budgets that bracket that component part? It's kind of hard to look on page 33 and pick it out because we don't have the historic trend that shows up on page 31 of the budget.

The other thing that I've targeted here is the recognition that we now end up with the farm income support programs showing up in two different places in the budget: under program 2 in terms of the

farm income support component – this is on page 33 – and then when we go to the Ag Financial Services component, there's another sector in there for the farm income disaster and the crop insurance. If we're going to look at how we provide support and direction to the individuals who are involved in the support programs of agriculture, it would have been probably a lot easier to look at it and deal with it in the context of having these all in one place. I recognize fully that the administration of the farm income assistance program was not done through Ag Financial Services, that it was done in a different way, but if we could see these things combined together so that we could look at them.

Another thing that's quite interesting here is that when we look at the revenue table, which is further along in the book, it shows about \$244 million being received as a federal government transfer in support of agriculture. Most of that was directed to the respective farm income support programs, yet when we look at the crop insurance, the farm income disaster program, and the farm income assistance program, we don't see a revenue component there that shows that these were revenues received from an outside agent and dedicated to that specific line item.

8:20

I guess it would be easier for us to be able to look at the relationship between provincial and federal funding on these programs if we could see that dedicated revenue, because you know, those dollars do come from the federal government specifically for the farm income assistance or the crop insurance programs. Maybe I'm putting too broad a definition associated with dedicated revenue, where this would be a revenue that is specifically associated with an activity of that line item departmental structure. I think that for understanding ease, so that we can see where these dollars are going, it would be really quite helpful to be able to show that there are some federal dollars in there.

You know, I guess this kind of goes to the discussion that we had a year ago, when the first acreage payments were being discussed, talked about. We questioned the former ag minister, and he talked about how the money that was kind of moved around in the departmental budget was done in a way that the dollars that were all being moved into that initial acreage payment program were already matched dollars, so they in essence had a federal component in it. So for both us looking at it as opposition and also Albertans looking at it in terms of how programs are funded and how we track the dollars, having maybe even an asterisked dedicated revenue there would help us quite significantly.

The other component that I wanted to look at and ask the minister about. I assume from some of the previous conversations we've had that the farm safety education programs and that are in program 2.3, somewhere in there. The one thing that I want to do is just make sure that the minister recognizes how much the agriculture community appreciates the work that her department is doing in these areas right now, because farm safety is really important to people in the rural community.

We had an incident in southern Alberta just recently where city friends of ours took their children out to a farm to experience rural life and experience some of the things that we who live in rural Alberta take for granted. Unfortunately, a farm accident occurred, and they lost a son. You know, as we look at our programs and look at the way that we deal with making our mark and committing to people, that farm safety program, Madam Minister, is something that really plays an important role and is really appreciated by the people in rural Alberta. I've noticed even in the last year or so that there is the odd ad that shows up on the regular TV channels. Maybe this someday might have helped this young boy who didn't understand

the risks he was undertaking when he went out to a rural community. So I would just encourage you, let you know that that's a program that as I travel the whole province, I hear a lot of good things about.

As we go through, you know, especially in program 3, industry development, I know that this is where a lot of that restructuring is taking place in the context of the value chain components in the constituency, or that makeup, and it would be really, I think, interesting if by next year we could see some restructuring of the budget that would give us a sense of how those kinds of activities are being put together.

A comment there in that section, program 3.5 on page 35, where you've got all the regional breakouts. One of the things I got in terms of feedback from a lot of people in Alberta Agriculture when they were talking about the excitement they're feeling with this team concept, the whole concept from one end to the other, right to the export market, is that this regional breakout doesn't really necessarily matter so much, because people all over the province are part of these teams. They've got the communications systems in place through their computer links so that where they're actually located isn't really that much of a deal to them. They can be part of these teams and be very active. So I guess I would say that some day we need to look at having that kind of reporting.

I think an issue that's come up in a lot of the other programs and subprograms that we see here – you know, there are some little changes in dollars here and little changes in dollars there that are not really that important. There was just one other one that I was going to comment on, but I'll probably get to that as I come back again at a later date.

As we go through this, the relationship that we look at, then, I guess is how these particular items move and go into the goals of the department and also the performance indicators.

I found the one I was looking for, so I'll deal with it now while I can. In program 6 the question comes up in the context of the budget allocated for farm income disaster. In 2000-2001 it was \$163 million, yet when we ended up the actual preliminary data for 2000-2001, it was only \$21 million actually distributed through the program. We're talking about a possibility of \$59 million this year, yet we're talking also about how the sector is facing a real risk this year in the context of continued downward pressure from international prices, drought: some of the factors that are there.

When we're looking at the claims that were made in the 2000-2001 budget year, how is it that they were so far off from the \$163 million that was projected there? What happened to the difference? Were those excess dollars, then, transferred over into the farm income assistance program? Wouldn't it be appropriate for us to see that kind of line transfer between the budget that was approved in the Legislature last year and the estimate of the actual expenditures that are being reported this year so that we can track how the dollars were moved within the minister's appropriate jurisdiction given the new Financial Administration and Government Accountability acts in the context of the ministers?

You know, we set aside \$163 million last year. We're setting aside approximately \$60 million this. Obviously what's happened is that the other payments that are going out affect that, especially when we look at the 2001-2002 estimate of \$60 million. When farmers file this year for last year's farm income disaster claims, the acreage payments that were paid out last year will kind of boost their income a little bit, and I guess it seems that if we look at that in the context of last year's \$21 million actual expected payout, what we're going say is: you know, with these other payments that were made last year, the \$4 and the \$6 at the two different periods, why are we expecting to have to pay out so much under FIDP, the farm income

disaster program, given that so much went out under the farm income assistance?

8:30

You know, this also leads us to the question of how effective and what kind of a review is in place for the farm income disaster program, because obviously with this kind of budget and then actual delivery of dollars, it's not working in the way farmers are expecting it to. It's not protecting them. We recognize that that program probably would work very well for one-year or possibly two-year sudden downturns in revenue, but when you get a long-term cyclical program in place, the program basically cancels itself out and doesn't provide for very much of an opportunity to really be a functional program. What we need to do is look at how this can be combined or revamped to really give us a program where farmers can participate and ensure in some way their production costs so that they can actually have a degree of stability to how they basically manage their risk.

That's what these programs are all about, Mr. Chairman, basically trying to give the farmers an opportunity with public help to be in there and manage the risk that's so associated with farming in a province where our climate is becoming much more variable and also where we're in a position where we as a producing area, even as a producing country, have less ability to deal with or control the international aspects that get kind of imposed on us as participants in the agriculture sector. So we have to look at: is it appropriate for us to be dealing with the current structure and the current combination of programs so that we can actually have a safety net for income that serves the purpose and that in effect becomes part of the decision-making process for farmers in the sense that they see it as a risk management tool, not as an income supplement or as a political type of issue?

Mr. Chairman, I see on my watch that I'm down to less than 30 seconds, so what I'll do is take my seat, let somebody else have a shot, and then I can guarantee I'll be back to ask some more questions as time permits.

THE CHAIRMAN: Thank you.

I've got two members standing. Is there agreement? Okay. The hon. Member for Edmonton-Riverview.

DR. TAFT: Thank you, Mr. Chairman. I'm delighted to speak on agriculture. I have lived my whole life in the city, but I do have many family members who farm, and I enjoy helping out during the harvest and at various times of the year, branding, et cetera.

I'm going to address a range of topics here today. One of them concerns the action to "advocate for the elimination of subsidies that distort trade and production," which I'm sure we would all agree is in theory something to strive towards but in practice is probably going to be exceedingly difficult to achieve. It undoubtedly overlaps with the Minister of International Trade.

Some of the questions I'm wondering about here. How will the ministry advocate for the elimination of subsidies that distort trade and production? How are they going to proceed given the international scale of that, the number of countries involved, the entrenched international interests in the various subsidies? So the fundamental question there is: how is the minister going to advocate for the elimination of subsidies in other countries?

If and as they succeed at that, I'm wondering which segments of Alberta's agriculture industry will be most affected, or if they don't succeed, what compensatory mechanisms will we be looking at ourselves? Are we going to end up having to develop a subsidy system parallel to what the Americans or the Europeans have to

ensure that our farm sector survives? I would be quite interested in more information on the questions of agricultural subsidies and trade and so on.

I'm also very interested and very aware about the need to support rural communities, the social infrastructure requirement of rural areas, farm communities, small towns and villages throughout the province. I know in the rural development area of this department it's undoubtedly of very, very great interest. Certainly my view has always been that a rural community is far more than just the economy of the farm sector. It has to do with the availability of services, the quality and availability of schools, the quality and availability of health services and of cultural amenities and of parks and lakes for fishing and so on, all things that I know many, many people in rural Alberta cherish and value and things that help them to continue to live and thrive in the rural areas.

So if we're looking at the ministry's agenda to encourage economic and social infrastructure and transportation and other services, again, what mechanisms will the ministry use to encourage these kinds of things, to encourage the necessary economic infrastructure and to encourage the development of social infrastructure? Does this department have or intend to have considerable co-ordination with, say, the Department of Health and Wellness or the Department of Learning to ensure that those threads of the social fabric of rural Alberta are strong and even being strengthened rather than the trend of the last few years, which is weakened?

I'm also aware of a real concern over transportation issues for farmers in rural areas with the whole shift of the transportation infrastructure away from the railway and the elevators to the highway and to the huge grain terminals and the concern that over the longer term this is going to add very significantly to the costs to farmers. Rather than being able to truck their grain six or eight or 10 miles to a nearby elevator where it then gets loaded and handled by the railways, they're looking at having to haul grain 40 or 50 miles to these superterminals. That I believe in the long run – and I know many farmers believe this as well – is much more to serve the needs of the big grain and transportation and rail companies rather than to serve the needs of the farmers. As the cost of fuel climbs and as the cost of the added equipment such as huge trucks climbs, we're facing real issues around the viability of farms and their ability to get their crops to market. So I'm wondering exactly where the ministry is headed in terms of encouraging rural transportation and systems for getting grain to market.

Another particular area that caught my eye with this department was the specific focus on elk ranching. I think this is an area in which we have considerable controversy and some questions that still remain. If the department is planning to partner with the Alberta Elk Association and the U of A to develop an Elk Centre of Excellence, lots of questions have come up. When is this going to be operational? Who are the industry partners? What do they bring to the table, both in terms of perhaps good things and in terms of vested interests that may cause questions to be raised about the whole operation of an Elk Centre of Excellence? Finally, of course I'd like to know: what is the department's financial contribution to this program? I'm not sure that many Albertans are aware that elk farming is as extensive as it now is in Alberta, having doubled, I think, in the last five years. I've certainly heard reports that there are more elk now in Alberta on farms than there are in the wild. That raises, of course, all kinds of questions around disease and hunting and so on.

8:40

One other area – and I will make this my last area of comment here – concerns the Farmers' Advocate. I notice that the Farmers'

Advocate expenditures are expected to drop. The Farmers' Advocate I know from direct personal experience provides a very useful role for farmers in a range of activities including in particular I think the concerns that farmers have and the challenges they face in negotiating with oil and gas drilling companies, companies that want access to their property and potentially want to take control and assemble the mineral rights under a farmer's land. Given the increased drilling activity in Alberta, the phenomenal rise in oil and gas drilling, I'm curious at least, if not a little bit concerned, that spending on the Farmers' Advocate is down a bit. Certainly I don't want to see farmers and the interests of farmers weakened by a shrinking of the ability of the Farmers' Advocate to fulfill its role of advocating for farmers.

I would also note one other line here under support for 4-H clubs, an incredibly important organization for rural Albertans. It brings people together; it teaches rural children wonderful lessons and skills and life attitudes. I notice that at a time when there is tremendous prosperity in Alberta, our support for the 4-H organization is dropping a bit. I would certainly be concerned if that's any kind of long-term trend. It does relate back to questions of strengthening the rural social infrastructure. It's exactly organizations like 4-H that help keep our rural communities strong and vibrant and help to keep the next generation of farmers interested in their lifelong commitment to the land.

With those comments, Mr. Chairman and Madam Minister, I will take my seat. Thank you.

THE CHAIRMAN: The hon. Member for Edmonton-Highlands.

MR. MASON: Thank you very much, Mr. Chairman. I am pleased to speak to the estimates of Agriculture, Food and Rural Development. Like my colleague from Edmonton-Riverview, I'm not exactly a country born and bred kind of guy, but I've taken quite an interest in farm issues since being elected to the Legislature and have actually had an opportunity to tour a number of areas of the province and familiarize myself with at least some of the really basic elements of agriculture. I'd like to address a number of issues tonight, but I want to focus on the changes that are taking place in the agricultural sector and the effect that the government's and the department's policies in this budget have on that direction.

Agriculture has been perhaps the last holdout of local ownership in our economy, but having said that, Mr. Chairman, it's clearly besieged, and the result is that there's an ongoing threat to the family farm and in fact to local towns and villages throughout this province. We've seen particularly the movement of large and vertically integrated corporations into the area of hog production in particular, where they take on not just the production of hogs and the processing of hogs but the production of feed. Virtually every element of the industry is coming under the control of single corporations operating in areas.

Of course, before they can get a foothold, they require the construction of very large-scale operations for the raising and production of hogs. I don't believe that the trends we're seeing are inevitable. They are not strictly the result of economic forces over which we have no control. They require the collaboration of governments and elected officials in order to make these changes come about. So I view with some concern some of the statements in the ministry business plan which although they are not explicit about supporting the development of massive operations in this industry clearly imply that it is the government's policy to facilitate this change in the agricultural sector.

There's good evidence, Mr. Chairman, that these kinds of large-scale agricultural operations have a tendency to push down prices for

the products that farmers receive, to move purchasing of input supplies and so on away from local communities and into large cities or even, in fact, sometimes outside the province altogether, and they produce significantly less jobs than the family farm. There are studies we've looked at done by universities in the United States that show that the family farm operations produce up to three times the number of jobs as the large-scale corporate farms that are now moving into Alberta on a massive scale.

There are a number of things that can be done about this, because we feel that it is a very serious challenge facing agriculture in Alberta. A return to single-desk selling would rebalance the opportunity for small- and medium-sized producers to be able to sell their products on a competitive basis with the large-scale operations.

The other point I'd like to make with respect to this, Mr. Chairman, is the need for environmental stewardship, and I'm very pleased to see in the business plan of the department that they in fact put an emphasis in goal 5 on "improved environmental stewardship." But the question is how that's going to be done and, in fact, if it can be done if we have massive scale hog plants in this province.

For example, a hog operation with 150,000 hogs produces as much waste product as a small city, and not only that, it can't be readily distributed. It has to be liquefied and then the containment and the restraint of that manure becomes a very serious problem. It poses a real threat to groundwater, since it's usually not properly contained. It spreads flies, produces nuisance odours in the vicinity far and wide, and generally is a major threat to probably our most precious resource and our most endangered resource in this province, and that is our groundwater. So movement of the province to deal with the groundwater issue is compromised by the government's agricultural policy of promoting and facilitating these kinds of hog operations.

MR. STELMACH: Where?

MR. MASON: There are lots of examples which I can refer the minister to. These operations, Mr. Chairman, have been much more widespread, of course, in the United States. They've only taken root in Alberta since the mid-1990s. So most of the examples of this are in the United States.

In April 1999 Murphy Family Farms, which is now the Smithfield facility, in North Carolina spilled more than 1.5 million gallons of manure into a swamp adjoining a tributary of the northeast Cape Fear River. Investigators believed tree roots punctured a lagoon wall. In October of 1999 employees at a Seaboard Farms facility in Oklahoma overapplied manure to farmland until it ran off, and they had to recover 102,000 gallons of manure. In December Carroll's Foods, a hog lagoon in North Carolina, spilled 200,000 . . . [interjections]

Well, Mr. Chairman, they did ask the question. Maybe they didn't expect that I would actually have some answers, but there's a whole list of things here. For example, in 1999 large-scale livestock producers spilled or dumped manure over 100 times in the 10 states surveyed, for a total of 4 and half million gallons. The report concluded that lagoons and other so-called technologies used at factory farms are not working and threaten public health, wildlife, and the quality of our rivers, lakes, and coastal waters. So there's very, very strong evidence in the United States, where this development is far more advanced, that it actually poses a serious threat. [interjection]

You know, this is the only time, Mr. Chairman, in all of the debates of the estimates that I've actually been heckled by the minister to whom I'm supposed to be speaking. I hope the minister

will forgive my newness to this field, but I do feel I have some comments I'd like her to hear.

8:50

So environmental stewardship is important, and I recognize that is identified in the government's business plan for this department. Nevertheless, Mr. Chairman, it is incompatible with the direction the government is going on these large-scale operations.

The last point I would like to make is about the control of land use in the province. I and I know some other members, even opposite, were serving on regional planning commissions at the time that the minister at the time, Dr. West, abolished them. We warned at that time that there was going to be a lot of difficulty around this kind of development, because the division of urban and rural use was going to become blurred and we were going to have urban developments spilling into rural areas and incompatibilities of land use taking place. The kinds of plans, the joint planning between adjacent municipalities, that were touted as the answer have in fact not worked as was predicted by many, many people from many, many political perspectives at that time. So now we see more and more acreages and those types of developments intruding into rural areas, and you see rural areas competing for large-scale retail and commercial operations as opposed to their traditional location in cities.

The hon. Member for Red Deer-North told me that there are in fact bylaws in some municipalities that won't allow combining after 10 o'clock at night. Well, Mr. Chairman, even a city boy can see that that's ridiculous. But it's coming as a direct result of the overlap of urban and rural land uses into the same area. So you have conflicts between rural residents and acreage owners and the farmers that are supposed to be producing the food and have to go all night.

The government also needs to address this and not just in this department. It needs to reimpose the kinds of limitations and restrictions on urban use in rural areas in order that agriculture can continue to operate according to the way it needs to in order to be effective, and the government has contributed to this problem by eliminating the regional planning commissions, whose job it was to protect agricultural land and to define the boundary between rural and urban land use. So, Mr. Chairman, those are my comments with respect to that.

I have a question or two for the minister if she's listening. On page 36 of the estimates the infrastructure for irrigation is being increased from \$17 million to \$24 million, and we would like to know if that is a capital investment or an operating expense. It appears to be an operating expense, but it seems to be listed as a capital investment.

I would like the minister to please, if she could, on page 36 under votes 4.4.4 and 4.4.5, elaborate relative to livestock operations and what these expenditures are for. I'd like as much detail as the minister is able to provide.

I'd just like to mention in closing, Mr. Chairman, another issue for which the government is not necessarily responsible, rail line abandonment. It's more related to federal policy. I want to put on record the concern about the closure of country elevators in many parts of Alberta and whether or not the government is going to try and do anything about that.

With those comments, Mr. Chairman, I hope that some of the members will be able to hear what I've said when they read *Hansard* tomorrow. Thank you.

THE CHAIRMAN: The hon. Leader of the Official Opposition.

DR. NICOL: Thank you, Mr. Chairman. It's a real privilege to get up again and bring up some more issues that I wanted to talk about.

We pretty well covered the actual number parts of the budget as it's presented in my first chance to address the Assembly.

The one question I would ask that I don't find in this budget document in terms of the assets that are managed by Ag Financial Services in the context of the capital value of them – it would be interesting to have a report on the total value there: what potentially might be their land holdings through, say, foreclosures, recaptured land values, but also some of the loans that are outstanding so we can track a little bit of the direction they're going in terms of the support for new farmers and get an idea of what level of asset they're actually managing from year to year. We'll be able to track it, then, in terms of the upturns and the downturns in the ag sector as it looks for, you know, the viability of farms.

Mr. Chairman, more specifically right now I'd like to turn to some of the departmental mission statements, the goals, and the performance indicators. I want to raise the issue here that I've raised in some of the other departments that I've had a chance to speak to in the last couple of years. I think what we need to have is not just this particular minister but a lot of the ministers deal with some kind of a descriptive relationship between what their goals are in the performance indicators. You know, Agriculture here basically reports performance indicators for their activities being Alberta farm cash receipts, net cash income, the value of shipments of food and beverages. We get into value of agriculture and food international exports, the contribution to Alberta's gross domestic product, the employment and output equivalency in terms of the land productivity. These basically are macrolevel indicators until we get into the last couple in terms of employment and the land productivity index.

If we're going to be able to evaluate the real effectiveness of some of these specific programs, we've got to have performance indicators that relate directly to that kind of program. As an example, the farm income support programs in their collection, you know, the three or four different ones that we provide dollars for, a report that reflected, say, farm sales or new farms, kind of the sustainability, because basically we're providing support programs to farmers to give them help through a transition in a down cycle or through a natural disaster. If we don't see any change in the trends of farm sales, number of farmers, then it's hard to relate what we're doing to any kind of positive benefit.

I know the argument is always there: well, it would have been worse if we hadn't had them. You know, we have to have some of those kinds of measures. For an example, we keep talking now about the new structure that's coming in Alberta agriculture. Well, this is going to be focused on development and promotion of these valued chain systems. So let's look at measures that talk about how new products are brought into the community, how they're moved from the innovator stage right through to the viable industry stage and see how that kind of tracking can go on. I know that these are going to be crude to start with in the context of not being really accurate, but if we don't start trying to develop these kinds of performance indicators that specifically relate back to the activities that we're undertaking, then we're not going to be able to judge over time whether or not the changes that we've put a lot of manpower effort into, a lot of thought effort into, and a lot of community involvement into, actually give us a payback. Those are some of the things that we need to look at.

9:00

One of the things I was also looking at as we talk about the diversity of commodities and the value-added industries. I noticed on the web site of Alberta Agriculture they had a page there that lists a whole series of investments in agriculture value added in the last 10 or 12 years. I think that's how far they went back. I looked at the

list, and in many cases there were some very exciting new ones, like the potato plants in southern Alberta, some of the new additions, the Cargill plant. I guess I don't see it as a real great investment in Alberta agriculture when, say, Iowa Beef comes in and buys out Lakeside Feeders. All this is is a transfer of ownership; it's not really a significant investment that increases the capacity of our sector. The things that are really important are the investments that come in here that bring in new money and create new capacity rather than just buying out capacity.

Now, Mr. Chairman, I would probably be the first to admit that a buyout like that a lot of times leads to greater access to capital or greater access to management, but in the context of the volume and the capacity of our sector to make quantum jumps in its growth, what we're looking for are the new plants like the Lamb-Western and McCain's potato plants that came in: some of these. Then we can see where those investments in the sector are truly going to contribute to further processing and also the encouragement for the farmers to switch to a higher valued crop or product. So I guess that's one of the things that I would like to see show up a little bit in terms of what we're doing.

As we look through the goals of the ministry, some questions have come up with goal 2, "increased amount of value added to industry." Mr. Chairman, I've already talked a lot about the value chain linkages that are going on, and this concept was talked about a lot during the ag summit process. I guess one of the performance indicators that we could start to show now, because I know some of these value chains are starting to show up, is a performance indicator that talks about the number of these that have actually developed or how groups have gotten together to develop even a short value chain. A lot of the things that we do start with one little step at a time, and a value chain has to start with two different groups working together to increase their product value. That's one of the responses that we can provide to the minister in terms of her question at the start asking for suggestions on how to deal better with the performance indicators.

When we go to goal 3 here, the ag summit action teams are mentioned. One of the things that I hear about quite frequently as I travel around rural Alberta and talk to farmers is: what's the status of these teams? Where are they going? I would just encourage the minister to do, possibly on an occasional basis, a news release or something, talking about where they are in the progress. I think everybody in the sector appreciated the one that came out talking about who were the Albertans that were assigned to this, because a lot of people were wondering if they'd been fully staffed. So I've used that news release quite frequently, talking about, you know, if you want to know about this area, these are the people that are dealing with it. But still people are asking: how far along are they? So some kind of a progress indicator there would be appreciated by the sector.

I guess one important thing that comes up is at the top of page 40. We're talking here about managing risk. What we're dealing with is the administration of crop insurance, hail insurance. I guess what we need to do is, again, as I brought up a little earlier, clarify the role of Ag Financial Services in the context of some of the farm income disaster programs. The crop insurance is basically administered through that, yet the administration of the farm income assistance program was done through the ministry, you know, when you look at the budget structure here. So to kind of give a common point of entry for these kind of things, we need to deal with that.

Next, goal 5. We talk about "environmental stewardship." I would encourage the minister to as quickly as possible get the intensive livestock waste management issue settled. You know, the guidelines are out there. They now are part of a lot of the municipal-

ity land use plans and zoning approval processes, but Albertans still want to see a strong commitment to some level of provincewide involvement in those kinds of environmental issues. Even the farmers I talk to say: let's just find out where we're going to go so that we can work with it. As far as being on one side or the other, right now they just want to know what they're going to have to deal with.

I think that as we go into this issue of the environmental stewardship, some of the performance indicators that we might want to look at because of the public's concern as much as our legislative initiatives are issues of water quality, not necessarily water quality at the drinking water tap but water quality in the public water bodies that we have in the province – you know, the lakes, the rivers, the streams: that kind of thing – so that people can understand and appreciate their ability to go out there and use these as recreational facilities.

One of the other things that we want to look at may be land subject to erosion. I think a good performance indicator here would be – we don't see reports anymore about the acres summer fallowed in the province. There was probably an unusually high amount of actual wind-caused soil erosion this year. I think we saw it this winter quite a bit. So these kind of things would give us a chance to look at how we're doing there.

Maybe something that would look at pesticide or even antibiotic claims in the livestock industry. You know, how many times are cases reported? Just so we have an idea of the safety and pureness of our food system. We've had a couple of unfortunate cases in the last while of recalled agriculture products; they've been sent out, and they've had to be recalled from the retailer or in some cases even from homeowners. I think that one of the things that we should be really proud of is that even though these things occur, in the context of our overall production capacity they're a very small volume. So in that context we do have an unbelievably high, and very proudly high, quality of food that's produced in our province.

When we talk about food safety and that, I would like to ask the minister to explain where we are now in this common food inspection that we were trying to work out with the federal government. My understanding is that we're getting more and more now to one level of food inspection in Canada. I think that in the long run it's a good goal, as long as we don't compromise the quality and the reputation that we have in Alberta. If we have one standard, it will work, especially if we can get into looking at some of the issues of how to deal with some of the ISO 9000 type of certification programs.

9:10

As kind of a wrap-up comment, Mr. Chairman, I just want to make some comments that the ministry has always been very supportive of requests I've made, and I find them very easy to work with in the context of getting the support information that I need. So as I conclude, I just want to really express my thanks to the various ministers that I've worked with but also to the staff of Alberta Agriculture. They've been very, very co-operative, and I hope in the process I haven't broken any of their trusts.

So thank you very much, Mr. Chairman, and I hope we can continue this at a later time.

THE CHAIRMAN: The hon. Minister of Agriculture, Food and Rural Development to respond.

MRS. McCLELLAN: Thank you very much, Mr. Chairman. I want to thank all members who participated in the discussion of this I think very important part of our provincial economy certainly but,

more importantly, a provider of safe, quality food products to everyone in this province plus a very significant provider of quality, safe products that are known throughout the world. As I've said, we export to over a hundred countries, and we do have an excellent reputation.

For that reason, I'm a bit concerned about one hon. member's comments with the new buzzword, factory farms. That is not the case in Alberta. I don't think there's a hog barn that has over 20,000 hogs in it. I could stand to be corrected for 500 or 1,000 hogs. To use examples that are U.S. and not Alberta I think is unfair to our industry. No similar activities have occurred in this province, and certainly we've gone through a very extensive process on intensive livestock, looking at good guidelines and rules that they will operate under. As I indicated in my opening comments, we've put an awful lot of extra effort and money into environmental stewardship and sustainability. One thing that all hon. members should keep in mind is that it is of no benefit to any agricultural producer to degrade the land or mistreat animals, because that is their livelihood.

We're as concerned about water quality. We drink it. We don't have expensive purification systems. I asked the hon. member where the city of Edmonton puts their sewage now. Why I'm raising that is that we all have a responsibility, because the North Saskatchewan River doesn't end here, and there are a lot of people downstream that reap the benefits or the effects of that. So it's up to all of us. It's not a rural or an urban issue to maintain the quality of our land and of our water. We're committed in our department to doing that.

The industry has been on a roller-coaster ride – there's no question – and it requires all of our support and understanding. So I only encourage all hon. members. Most of the comments we had tonight were very productive, only aimed at making our industry stronger and better. It is a sustainable industry, and the opportunities for this industry and its ability to affect in a very positive way the quality of life in this province are absolutely unlimited. It is a sustainable resource. It can be for long into the future.

I remind everyone that agriculture is the industry that built this province, and it will be the industry that sustains this province long into the future, when many of these other activities are gone and forgotten. There will never be a time when we do not need a high-quality, safe food supply, and I can tell you that the producers in this province will deliver that, the value-added processors will deliver that, and they will continue to make Alberta a proud name in all countries in the world where we export our great products.

Thank you very much, ladies and gentlemen.

THE CHAIRMAN: After considering the business plan and proposed estimates for the Department of Agriculture, Food and Rural Development, are you ready for the vote?

HON. MEMBERS: Agreed.

Agreed to:
Operating Expense and Capital Investment \$610,031,000

THE CHAIRMAN: Shall the vote be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

Community Development

THE CHAIRMAN: For the opening comments we call upon the hon. Minister of Community Development.

MR. ZWOZDESKY: Thank you, Mr. Chairman. It is indeed my great pleasure to rise before you and all colleagues tonight to present for the Assembly's approval the new three-year business plan and the budget estimates for the 2001-2002 years for Alberta Community Development.

Among our many priorities, Mr. Chairman, are persons with developmental disabilities, persons with other disabilities, sport and recreation, arts and culture and multiculturalism, libraries, volunteer development, historic sites, museums and cultural facilities, parks and protected areas, film classification, planning for our centennial, human rights, citizenship and the status of women, and many other important areas.

Helping me out in all of this, Mr. Chairman, are numerous individuals, some of whom are here with us tonight that I'd like to just quickly introduce to you. In our gallery are Dr. Bill Byrne, our deputy minister, and his assistant, Mr. Chris Robinson, Mr. Rai Batra, Ms Darlene Andruchuk, Mr. Hugh Tadman, Mr. David Steeves, Mr. John Kristensen, Mr. Mark Rasmussen, Ms Kathy Telfer, and from the Persons with Developmental Disabilities Provincial Board Garry Donald and Jim Menzies, as well as my own executive assistant, Pam Boutilier. They should all rise and take a quick bow because they've worked very hard over the last while.

Thank you.

[Mr. Fischer in the chair]

Mr. Chairman, I want to basically accomplish two things this evening: first, to review the three-year business plan and, secondly, to discuss the 2001-2002 budget estimates. But before I do that, I also want to thank some colleagues who are integral to this entire process and who chair various committees within our department: the Member for Clover Bar-Fort Saskatchewan, the Member for Calgary-Currie, the Member for Calgary-Montrose, the Member for Little Bow, and others who are very involved with us.

Our business plan outlines the actions that will support our vision statement, which is this: "A vibrant province where Albertans experience fair opportunity and the quality of life to which they aspire." Our mission statement articulates the process, and it reads:

To advance the quality of life for Albertans by providing leadership, support and opportunity so they may participate in the social, cultural and economic life of the province.

Our core businesses have been amended to reflect the ministry's new responsibility, and they are as follows:

1. promoting community development;
2. protecting human rights and promoting fairness and access;
3. ensuring inclusion and participation for Albertans with disabilities;
4. preserving, protecting and presenting Alberta's history and culture; and
5. preserving, protecting and presenting Alberta's provincial parks and protected areas.

Community Development helps to support and enhance our province's quality of life in so many ways, and I'd like to just highlight a few of them for you now. We contribute to the health and viability of our communities and our community-based volunteer organizations. We help to ensure that all Albertans have equitable access and opportunity to participate in society. We preserve and interpret our natural and historical resources for the benefit of current and future generations. We provide very necessary supports to nurture our young artists and our young athletes as leaders for tomorrow. We encourage Albertans to appreciate and experience a very wide range of opportunities in the arts, culture, and multicultural areas. We assist persons with disabilities by providing many supports and also by encouraging society to see

ability where they may have seen limitation before. We support lifelong learning by increasing access to information. Mr. Chairman, this is by no means an exhaustive list, but it does provide you with at least a glimpse of what it is that we're all about.

Now, with respect to the 2001 through 2004 business plan we are taking a different approach than in previous years, and it is built around success factors, that help us determine success in achieving our vision. To put these factors into action, we've developed what we call stretch targets, targets that we plan to achieve by 2004, and five critical success factors, that are listed on page 89 in the plan. I know all members will rush there immediately. You will see that we are linking the program areas in a very logical manner. As well, instead of identifying a list of actions that relate to each goal, we have taken a much broader approach and identified corporate initiatives that cut across our core businesses and will help us arrive at where we want to be by 2004. You will see these corporate initiatives listed on pages 91 to 94. I also would like to take you through a few examples to illustrate this new approach.

9:20

For example, under the success factor titled Focus on Those We Serve, the stretch target is to make all ministry activities "needs-driven and evidence-based" by 2004. One of the corporate initiatives linked to this success factor is to "implement directions from the Building Better Bridges - Final Report in co-operation with Persons with Developmental Disabilities Boards and other ministries." This report resulted from extensive consultations which I had the privilege to personally undertake with the assistance of others. In order to focus on those we serve, I should also add that we have increased the budget for PDD to reflect our increased caseloads and to address increased operating costs. We've also allocated new funding for the brain injury initiative to begin building much-needed programs and services in that area.

For another success factor, Create Beneficial Opportunities, the stretch target is to make ministry programs and services "readily accessible, effective and beneficial." This will be accomplished by corporate initiatives such as maintaining "care for heritage collections by acquiring, preserving and making accessible the material culture, natural history and documentary heritage of the province" and by maintaining "care of our natural heritage by managing provincial parks and protected areas to sustain their ecological integrity." Our parks and our protected areas and our cultural facilities and historic resources have much in common, Mr. Chairman, preserving, protecting, and presenting our heritage whether it is cultural, historical, or natural.

Now, under the success factor Nurture Effective Alliances the stretch target is to establish "appropriate working relationships with all entities having similar corporate objectives." An example to illustrate this is the aboriginal policy initiative, and Community Development will support the Alberta aboriginal policy initiative in several ways including but not limited to

funding support for the 2002 North American Indigenous Games, implementation of a provincial policy concerning traditional ceremonial materials, and planning for the establishment of the First Nations Development Fund.

Mr. Chairman, a change in business plan also means a change in how we measure our success. I would like to turn briefly to the performance measures section of our business plan. While we have retained the link between measures and performance assessment in each core business, we have now grouped the ministry's measures under four essential, overall categories: participation, satisfaction, quality of life, and economic impact. We wanted our performance measures to be more meaningful to our stakeholders and to our partners as well and to specifically address what we have heard from Albertans.

Turning now to my ministry's budget estimates, I want to focus briefly on how the ministry proposes to meet existing and new commitments. I want to begin with libraries. In Budget 2001 we have allocated an additional \$715,000 to Alberta's public libraries to recognize Alberta's growing population. This brings the funding to \$14.9 million. As well, we are allocating an additional \$1.75 million beginning in 2001-2002 to assist with the costs of sustaining the Alberta public library electronic network, which of course is a project between the government of Alberta and the Alberta Library.

The 2001-2002 budget provides \$126 million for the Alberta 2005 centennial program. This program celebrates the province of Alberta's 100th anniversary by supporting legacy projects for the benefit of future generations. In this year's budget we've allocated approximately \$40 million to very worthy provincial legacy projects such as main street revitalization efforts, an official history of Alberta, aboriginal and youth initiatives, and to the centennial legacies grant program, which is for community projects.

I should also point out that my ministry has transferred \$85.4 million of the aforementioned \$126 million to Alberta Infrastructure to manage on behalf of Community Development the construction or renovation of several government-owned facilities. We're talking about major projects here.

The persons with developmental disabilities budget for 2001-02 is \$378.6 million, which includes a \$53.4 million increase from last year's budget.

In support of the cross-ministry economic development strategy, we are providing a \$1.78 million increase for parks and protected areas, including funding for costs associated with public safety, evaluating interpretation, environmental education programs, and work associated with the special places program.

In an effort to make our activities more needs driven and evidence based, another of our stretch targets, the 2001-02 budget for the human rights and citizenship branch has been increased by \$200,000 to enable the review and consultation on the Blind Persons' Rights Act and to improve the existing legislation for people with disabilities who rely upon the assistance of an animal.

Alberta's vibrant arts and culture sector plays an important role in sustaining the high quality of life that we enjoy. The Alberta film development program in its first year of operation demonstrated great success in rejuvenating Alberta's film industry. In fact, in 1999-2000 an investment of \$2.9 million attracted productions valued at \$33.2 million, \$19.2 million of which was spent right here in Alberta. I want to sincerely thank the hon. Member for Airdrie-Rocky View and the Member for Drumheller-Chinook, who is now our Deputy Premier, for the important work they did in that regard. We've extended that Alberta film development program, Mr. Chairman, by \$5 million per year in 2002-03 and 2003-04.

THE ACTING CHAIRMAN: I'm sorry, Mr. Minister. Your time is up.

MR. ZWOZDESKY: I'll come back and finish this when time permits. Thank you.

THE ACTING CHAIRMAN: I would like to call on the hon. Member for Edmonton-Centre.

MS BLAKEMAN: Thanks very much. I'm pleased to be able to rise and participate in the debate on the budget for Community Development, and I appreciate the minister's speed-reading there in trying to get all of his information in. Of course, I appreciate the very hard work of the staff members of Community Development. I know that they're working very hard to try and provide all of the services,

doing, as always, as much as they can with very limited resources.

This portfolio is a bit of a moving target. This is my fifth budget debate on this portfolio, and it has been different every single year. There have been different entities covered under the umbrella of Community Development. As the minister pointed out, we lose housing and seniors this year and gain persons with disabilities, parks and protected areas, and also First Nations development into the portfolio. As a result, I find it very difficult to track the portfolio, and certainly that's been some of the feedback that I've had from member agencies that receive their funding through the department as well. The bottom line always manages to look a little better every year, but that's mostly a result of having large programs transferred in. It's not affecting the core services that remain consistent in the department.

Those core areas include things that I think are really vital to making Alberta a special place. That's about the people components of the department: human rights, women's issues, multiculturalism, youth, volunteers. It's about our activities like arts and culture, historical sites, heritage, sports and recreation, fairs and festivals, and of course the places, which include the 18 really wonderful historical sites that we have which are much involved in tourism in this province.

I note the large sum of money that came into the department this year came in under promoting community development, which is essentially now housing the persons with abilities section. I'm wondering what happened to the old community development, which used to be about helping organizations in the community develop their potential. Alberta at one point had a reputation that was unmatched for services that were offered by the expertise developed in the department around board development and seminars and that sort of activity. I don't know where it falls anymore.

So looking at this department from year to year becomes increasingly difficult. When you first look at the budget, it appears to have six or seven areas, and each year less and less is explained about what indeed falls underneath the department, because there's no subvote breakdown on it. I would certainly appreciate seeing those subvote breakdowns again. The last time they were around was about 1995. So for people trying to look at these budgets and figure out exactly where they fall and what's happening to them, it's a loss. You know, are they under Community Development? Well, no, not anymore. That's not what it means. Everything else is rolled up so high into a one- or two-line explanation that people don't really know what's going on anymore.

I find this department particularly not open and transparent compared to some of the other departments that I have debated. I would encourage the minister to look at expanding, in fact, what's covered under here. It is a huge department. There's a lot of different sectors to it, but let's not hide them. Let's not hide their light under a bushel. Let's get it out there and celebrate what's in this department.

9:30

Now, performance measurements are a particular interest of mine. When I look at the performance measurements, some of them are the same as what we had in the previous year and some of them have sort of changed and their numbers have changed, which is always interesting to me.

I'm just going to stop here and respond to the minister's description of where the department is trying to go with these new corporate values, which I'll reserve judgment on at this point. But I do find it a little odd that we're talking about corporate values when most of the agencies that are housed under this department or in fact receive funding from this department are not corporate; they're nonprofit

agencies. So this whole movement that we have seen in this department towards a corporate mentality is dismaying to me. And the stretch targets I'll come back to, because I have some questions on that.

When we look at the key performance measurements under the "Participation" section, we're still having the level of community volunteerism, but the numbers are slightly different from what were appearing in the comparison budgets from the previous year. Perhaps the minister can comment on that.

When I look at the percentage of adult Albertans participating in sports and recreation, that looks fine. We've got adults using public library services. That's great. But "percentage of adult Albertans participating in arts and cultural activities": this measure keeps floating, keeps changing. In five years I think I've seen just about five different measurements on this one. I'm exaggerating slightly but not too much. This year we're seeing that there are no comparative results because they've changed it yet again, so there's nothing to compare to from '98-99. The figures being given for results in '99-2000 are 89.6 percent, and the target between 2001-2004 is 90 percent. I'm wondering why it's only 90 percent. You're only looking to increase your target by .4 percent in four years. You must have higher expectations than that.

Again, we have a problem with new measurements and changing measurements under adult Albertans visiting museums, historic sites, or interpretive centres.

In particular, I noticed that the "visitation at provincial parks and provincial recreation areas," which is a new measurement in this department because it came in with the new section when the ministries changed, is in fact dropping. We're going in '98-99 from 8.6 million to '99-2000, where we've got 8.5 million, and our target in 2001-2004 is less again, at 8 million. I'm curious as to why the department would be targeting for less, but I'm sure that will be explained.

When we look at the measure under "Satisfaction," the "customer satisfaction with community development assistance provided", what we're getting here for the results is "methodology revised", "methodology revised", and for the target, "to be established." But in the previous year's budget it in fact does give us some targets, so what's happened here? Are we having trouble translating from the previous book to this book?

I also always question satisfaction. Surveying people as to how they're satisfied with a given activity I question in every department in this government. I don't think it's a useful management tool. Yes, you want to know that people like what you're presenting, but frankly that isn't always the best measurement of whether you're being successful. It's an easy performance measurement to use. It's too easy. It's too easy an out, and I strongly recommend we revisit that.

Now, when I look at the measure for "Quality of Life," there's nothing to compare to for '98-99. Results in '99-2000 are exceptionally high, ranging from 87 percent up to 98.9 percent, and then targets again slightly above that, fractions above that, for 2001-2004. So what are you trying to tell us here?

Percentage of adult Albertans who consider the following as important in contributing to their quality of life:

- Arts and culture
- Sport and recreational activities
- Public libraries
- Volunteer activities
- Environment free of discrimination

These very high performance measurement results, and then a tiny, tiny increase for the entire target years of the three-year business plan.

I note and I applaud the government for continuing to support the

Alberta film development program. Very important for this province. We have a long way to go to recapture where we were at before this government so mistakenly and shortsightedly cut the support to film and left it floundering for a period of time there. We're back up to \$40 million, or that's the target, but we came down from well over \$100 million on this, so we've got a long way to go to recapture that. I encourage the minister to continue to work with the community, which is very astute in what it needs to do well at this. I hope we'll be able to recapture where we were at.

Now, I'm going to jump around here because, as you know, there's so much in this department that it's impossible to cover it in one hour. I'm aware that I will disappoint some groups in that I won't be able to raise their issue.

I'm questioning what the \$54,000 in capital investment is under program 3, human rights and citizenship. There is a capital investment of \$54,000. I'm wondering what that is.

I'm also wondering what the \$2,829,000 is for program 6, parks and protected areas, again under capital investment.

When I look at the minister's office and deputy minister's office, there's a \$300,000 increase in here. I'm wondering why. If he can please give me a very specific breakdown of exactly what is being done with this money.

Community services. As I said, most of these are going down slightly, and in a few cases a minuscule increase for those core services.

When I look at things like the Provincial Museum, Royal Tyrrell Museum, historic sites and cultural facilities, Provincial Archives, all of these have gone down slightly from the previous year. I'm wondering why they've been reduced. I think all of these organizations have been very clear that they need continued support. What did they do to deserve being cut?

One of my concerns – and I met with the previous minister and did a fair bit of lobbying on this – was that the money that was assigned to the 2001 World Championships in Athletics did not ensure an arts component. Seeing as this money came from Community Development, which also includes an arts component, I question why there were no strings attached as far as this went, because frankly, as a result, I don't think we have a very strong arts component in this. I think that's a failing of the provincial government's commitment to upholding that. Certainly we've had the organizers trying to come up with additional money to support the arts component, and they have not been successful. Considering the amazing community that we have here in Edmonton and in Alberta, what a mistake. What a loss to not be promoting that.

9:40

We have a number of new highlights that are being noted. In "funding for the establishment of the First Nations Development Fund," a number of new initiatives in there.

The minister had mentioned that there was additional money in the budget to support a review of the Blind Persons' Rights Act for persons who are using an animal. Again I have met with the previous minister on this one, and I strongly encourage whatever consultations take place to please be open to having this included and expanded to work with service dogs. Once we've got that act open, let's get into the 21st century here, because certainly there are service dogs that are assisting people with seizures, service dogs for people with things like CP, multiple sclerosis. There are all kinds of possibilities. We have some very fine examples across the world of how to certify these animals, how to check them, and how to identify them that we can be following up on.

I'm hoping that the province is giving serious consideration to working with the city of Edmonton on two different projects for the

Legacy program. We are in desperate need of a new art gallery. I understand that there are already talks going on about a combined museum with the Provincial Museum and staff at the University of Alberta, which sounds like an excellent program. Really exciting possibilities there. The province provided Edmonton and Calgary with the Jubilee auditoria for the 50th anniversary, and I'm hoping we can be looking at something similar.

I have been tabling in this Assembly a number of examples of possibilities for what to do with the Rosedale power plant. There was an excellent opportunity to be putting a museum or an art gallery right in the centre of downtown, a real showpiece that everyone entering the city would see. The department staff and recommendations through to the EUB about the use of the Rosedale site: I'm hoping that the minister will still do the right thing and not allow the destroying of part or all of the Maxwell Dewar Building. In fact, I'm sure the staff are aware that in allowing destruction of part of it, we've basically signed the death warrant for all of it, because there are certainly plans for stage 2 and stage 3. So two more huge turbines that EPCOR has finally admitted they wish to put in that place.

That's the end of that building. Let's not kid ourselves that we can take down one wall and let one turbine in there. Once we get into this project, we're destroying the whole darn thing. So I'm still looking to the minister to be brave and do the right thing there. He can, in fact, save that power plant for use by all Albertans and make it a magnificent entrance to the city with tourism possibilities. And there you have a beautiful site to be considered for your museum or for an art gallery.

[Mr. Tannas in the chair]

Some other issues I'd like to try and get through. I will impose upon my colleagues and try to get additional time later in this very short one hour that we have to debate this very multifaceted budget.

Women have absolutely disappeared. The word is never mentioned, and I have read all the way through the business plans and the actual budget. I think that's shortsighted. I'd like to know, as I ask every year: exactly what is this program doing and where does it exist? Exactly what is the funding that is allocated to status of women in this budget? I'm bringing up the concerns about the cuts to women's shelters across the province. Although they are housed and funded under Children's Services, I still expect status of women to be cognizant of what's happening in this area. I notice that there was funding to do an aboriginal lens in looking at government programs. I've been asking for years for a gender lens. If the ministry can understand doing that for aboriginal issues, I'm sure they could find their way to doing that for women's issues, and we do still need that.

One of the issues that keeps coming up again and again in what's left of the women's community is assistance for networking. I'm looking for the minister to be seriously considering that. It's very difficult for people that are working all day long and volunteering all night to still try and get together in whatever volunteer time they've got left. There could be support there for networking coming from the government. Also, support for immigrant women's programs. There's an excellent agency, Changing Together, which does not get any specific programming money through this government, and there's a good way for it to be done. Additionally, for status of women to be looking at women's health issues. So women are turning up in all the different departments, but nowhere is there any ownership or any concern being expressed and an overview being done.

I'm aware I'm coming up to the end of my first 20 minutes. Cross-

department initiatives, again on women's issues. This can be done, and this is the only portfolio under which it can be done. I'm looking again for leadership to be taken here. Five years. I keep trying. It's possible to do, folks.

All right. Thank you very much, and I shall return later for the rest of my notes.

THE CHAIRMAN: The hon. leader of the third party.

DR. PANNU: Thank you, Mr. Chairman. I'd like to spend the next 20 or so minutes making some observations on this department's budget, Community Development. I want to start by noting that this is the first time the minister has a department under his direct control. He's solely responsible for it, so I wish him good luck in his first full-fledged portfolio responsibility.

I was listening to the minister, and the minister certainly touched on various priorities of his department as he was trying to set in motion programs and policies and activities that will help him reach the goals in the next three years, but as he was talking about this, he did talk about the status of women.

I started looking at this part of the budget yesterday afternoon sometime. I was looking for something on the status of women – and my colleague from Edmonton-Centre has already mentioned this – and I couldn't find any specific mention anywhere in the budget document on that specific item or issue. Mr. Minister, in making your introductory remarks, you did single that out as one of the initiatives you're paying attention to, yet here in the budget any mention of this is totally, totally absent. So I would like you in your response at the end of the debate to pay some attention to it. Show me where the resources are. Where are you hiding all these programs related to issues related to the women of Alberta, immigrant women and other women and women in general?

I will be making a few observations on some of the programs this ministry is responsible for in a moment, but in terms of general observations the department keeps changing, as has been noted before. New programs are brought in, and new services have been brought in, so one wonders when you look at the overall budget: how do you make a judgment about whether or not the overall budget of the department has indeed increased, given the fact that its responsibilities have also expanded? It was difficult in the absence of any detailed information provided here to make that kind of assessment. I think it's important for the department to keep these things in mind so as to assist everyone who is looking at the budget, including MLAs in this House, to be able to make accurate judgments about what the state of the budget is and whether or not there are real increases in there. The overall figure certainly is up by 16 or 17 percent, but so are the responsibilities of the department.

9:50

I would briefly like to talk about support for the arts, cultural and recreational programs, human rights and citizenship, services for persons with disabilities, museums and historical sites, and last is parks and recreational areas.

Let me start with the item on libraries. Libraries are clearly a vital resource for enriching our lives and our communities across this province. As a result of declining provincial support over the years, one wonders if public libraries are really public in nature. They have begun charging user fees and/or annual membership fees that pose a financial hardship to many Albertans, many users, particularly those citizens who most need their services. Over the past decade operating grants to support Alberta's 245 library boards have not kept pace with either population growth or inflation. This year the government is planning to spend I think only about 3 percent more

than last year. Alberta library boards have been asking for additional resources so they can eliminate fees as well as add, if you wish, new books, replace aging stocks, and add other resources. Exactly what action is the minister planning to take to allow Alberta libraries to better serve Albertans?

I have one question on page 95. I was trying to again see what that statement exactly means. It's under highlights for the year 2001-2002. There is some reference made here to increase the operational funding to the province's libraries to \$14.9 million. From what figure? You know, that's missing there. You say that it's going up to \$14.9 million, but from what? That should be there. It's difficult to look around when you're going through. Everything's laid out, yet when you read these lines information is missing. I think it's easy to provide this information for the ease of discussion and examination. I couldn't figure that out easily.

On the issue of arts funding, virtually all provincial funding of the arts is channeled through the Alberta Foundation for the Arts. When one factors out the film development program introduced by this government three years ago, having recognized they'd made a very serious blunder in eliminating that program to start with, arts funding has remained virtually frozen over the past 10 years. So there again under the highlights on page 95 I think you do draw attention to some increases here, but the film industry is a vital arts activity in the province. It certainly has huge potential financial dividends for the provincial economy. I think it needs to be paid more attention. By even the most generous calculation the government spends about \$22.4 million supporting the arts sector, a sector that contributes hundreds of millions of dollars to the economy each year.

My Tory opponent in the recent election at one of the forums on arts and culture proposed spending 1 percent of the provincial budget on the arts. That would have been more than \$200 million a year. In fact, he did mention that figure. He said: elect me and you'll get \$200 million invested in arts on an annual basis. I want to tell you, Mr. Minister, that I'll settle for a fifth of that, about \$40 million a year, if you'll give me that. I'd certainly go back to my constituency where lots of artists live and give them the good news. So I was just waiting for your word. I'm not asking for \$200 million.

My next question deals with program 3, human rights and citizenship. I appreciate the fact that some additional resources are being applied in this area. However, I'm not sure the increase is as good as it appears. Is the \$1.062 million in vote 3.0.2 new money, or is it simply an accounting item? I went to page 107 to get some answers to this, but the information there seems to lead me, at least, to the conclusion that it's not new money. Could you clarify that?

Finally, could the minister clarify exactly how much money is being provided to the Human Rights and Citizenship Commission and how much of a budget increase they will be receiving? My quick look at that item indicated that the increase is very, very, very minimal. In fact, to me it seems that the operational budget for human rights is nearly frozen over the last few years at a level which has been low as is.

My next question is on centennial projects. I refer to page 95 of the estimates books again which indicates that \$126 million will be provided to this program this year. I agree that Alberta's centennial is a significant event in the history of the province. However, I wonder about spending this amount of money on a centennial that is still four years away. Also, what kind of governance structure is in place for these funds? How will we be able to make sure these funds are spent wisely and on the right priorities? Will this become just another program where government MLAs hand out cheques even in the ridings of opposition members?

I'll give you an example. Last September when the first grants

were announced, one of the grants was for renovation of the Arts Barns in my constituency, known as Edmonton-Strathcona. I was perhaps the only person who was not informed or invited to the event, the big celebration to hand out the cheque. I wonder if the minister will continue with the policy to not invite the MLAs for the areas for which these funds may be announced at a certain time. I was not made aware of the grant. I wasn't invited to the function. I hope, Mr. Minister, as a former opposition member that you will make sure this kind of thing doesn't happen under your charge.

My next question relates to persons with developmental disabilities. I note that this responsibility followed the current minister from his previous portfolio as Associate Minister of Health and Wellness. Given the close fit between health care services and services to persons with developmental disabilities, I want to ask what the rationale was for this transfer. Secondly, how will the minister make sure that service gaps don't develop because the PDD boards and the health authority boards report to different ministers? What are the co-ordinating mechanisms there to make sure such gaps do not develop? I'm certainly not questioning your commitment to these services, and I recognize that significant additional resources are being applied.

One question there on page 109. I may as well ask it right now. It stood out. It caught my eye very quickly. It's under Persons with Developmental Disabilities Provincial Board, Statement of Operations, under Expense, board operations. The budget for the board operations jumps by more than 100 percent from last year to this one, if you notice, from \$7.6 million to some 18 million dollars. I wonder if this can be justified or if you will in fact make some comments on it for us to understand why this increase, such a large increase, for the board.

10:00

Also, some concerns about the decision to transfer responsibility for provincial parks and protected areas to the Ministry of Community Development from the Ministry of Environment. Why was this change made? What actions will the minister take to make sure that completing Alberta's network of protected areas becomes a top priority? Will the minister take action to prevent his colleague the Minister of Sustainable Resource Development from compromising the possibility of establishing new protected areas in the Kananaskis area as a result of establishing huge new forest management agreements which seem to be under way?

In my constituency office I get from my constituency assistant every week a log of the various calls and e-mails that we get. I've got dozens and dozens of calls over the last two weeks from people expressing a great deal of concern about the forest management area in that region that's in negotiation right now with the Spray Lakes company or whoever they are. So there are some serious questions, some serious concerns that Albertans are communicating to us. Again, under your charge, in your good hands, I wonder: what will be the fate of these areas, and how will you address these impending threats to the continuation of the protected areas programs?

Another question for you. I notice on page 96 under your highlights for this current fiscal year, at the top of the page, the first line there: "Work with Alberta Infrastructure to renovate a facility to accommodate a new home for the Provincial Archives of Alberta." You're familiar with it. I'm familiar with it. There had been an attempt made to move the archives from where they had been in the Provincial Museum to a site somewhere near Stony Plain a couple of years ago. That certainly is not there. Has a new site in the city now been identified? If so, I hope you will answer the questions: where is that site, and which building will be renovated in order to accommodate this very, very precious historical information resource for the use of Albertans and Canadians from across the country?

So these are some of my questions and observations. I will now

let some other colleagues take over. If I have another chance, I may have a few other questions later on.

Thank you.

THE CHAIRMAN: The hon. Member for Edmonton-Glenarry.

MR. BONNER: Thank you very much, Mr. Chairman. I welcome this opportunity to participate in Community Development estimates this evening, and I thank the minister and any members of his department that are here tonight. We are a little short of time, so I won't spend too much time. I will be putting forth a number of questions, and perhaps he can supply answers in writing if he doesn't have the opportunity this evening.

Now, then, I notice that here in 2001-2002 \$10 million has been set aside for the World Championships in Athletics, and by the end of this fiscal year that will total \$40 million which has been provided for this event. So my questions are: what specifically has the money been marked for, or is it left to the discretion of the 2001 World Championships in Athletics committee to use this money as they see fit?

Along the same lines, can the minister provide a detailed list including costs and types of projects his ministry is involved in as part of preparations for housing the 2001 world track and field championships in Edmonton? I guess what we're looking more for here is if you can provide us with: how much of this \$40 million has gone into facilities, how much of it will go into transportation, into salaries, into entertainment or hosting costs, and how much have we committed to hosting international committee members when they arrive in our province? So if the minister could do that, please.

The Premier has also expressed concerns about how money is being spent on the championships. What I would like to know is: has the department taken any steps to ensure that money transferred or given to the committee is being well spent? In other words, what are the checks and balances here? What are their obligations as this committee to report back to the minister on where the dollars have been spent? What measures is the department using to determine the value of the money we have given to the championships committee?

Again, I notice here that particularly with major championships throughout the world there has always been an arts segment of the games. I see that there doesn't appear to be any money that is designated for the arts, and I'm wondering if I have missed this or if there are dollars here. As well, I notice, particularly with the Calgary Olympics, which are so close to us, that there were a number of residual benefits. Of course, one of those was in the tourism industry, where even a year or two after the Olympic Games were held in Calgary, we continued to have a great interest in that city and surrounding areas from visitors around the world. I would like to know if the department has worked in partnership with other departments to ensure that we get maximum benefit out of the great advertising we're going to be seeing with having these games here in Edmonton? How will that be perpetuated over the next few years?

As well, if the minister could please provide a copy of the criteria used by his department to assess which projects would receive funding during the 2001 world track and field championships.

I would like to move along now to the Alberta Sport, Recreation, Parks and Wildlife Foundation, certainly a area of this ministry that is near and dear to myself, having been involved extensively in recreation and sport in this province for the majority of my adult life. I notice here as well that this is one of those areas where we have continually increased demands, not only because we have more people participating in recreational activities and sport, but also we've had a tremendous strain put on a number of our facilities in this province just by the sheer number of people moving to Alberta. Yet with all this demand and the increased emphasis that we want to

place on sports and recreation, really since this foundation was cut back in '93 or '94, their funding has never really been increased. It really has been flat for quite some time. So I would like to know when these dollars can be restored to this particular foundation?

Now, then, I see that there is a marginal increase here of 1.3 percent, of \$231,000. If the minister could please outline where this money is earmarked? Will the department provide a specific breakdown of the source of the total estimated revenues for 2001-2002 of \$18.2 million, including how this was generated? Again, I don't expect great detail, but if we can get a sketch as to where these revenues came from.

10:10

Also, I see that when we look at campgrounds and parks in this province, we have some 530 sites in the province. Now, what I would like to know from the minister is: are all of these sites run by the province, or are a number of them leased? If they are leased, one of the big concerns in regards to parks and campgrounds that was brought out at the AAMDC was that there appear to be two different sets of rules. If you have a private campground and right beside it a former provincial campground that is now leased, there are two different methods by which those people pay taxes, and there was great concern over this.

As well, certainly at one time, when parks were a much bigger and more detailed section of the ministry, we decided that we were going to change the focus and allow a lot of people to lease these parks. Certainly the province has spent literally hundreds of millions of dollars in infrastructure to develop these parks and these campgrounds. What I would like to know is: what checks are there in place to assure Albertans that the tax dollars they put into these facilities are being protected by the leaseholders? This is certainly a very good question because we do have a tremendous amount of money out there.

As well, how many of these sites have been allowed to more or less return to their natural state due to the fact that nobody has chosen to lease these sites because they're just not economically viable? Rather than the province maintaining them, nobody is taking care of them, so they've been allowed to return to their natural state. We see grass in these campgrounds up to and above the picnic table benches and whatever. So if we could have a count as to how many of these sites have been abandoned.

Now, then, as well there was a \$768,000 drop, or 6.6 percent, in the program expense for provincial programs, and this is in the estimates on page 105. If the minister could please provide to us who exactly will be affected by this cut.

Meanwhile, in the same part of the budget, Alberta and inter-provincial games will receive a 23 percent increase, from \$1.830 million to \$2.251 million. What will this additional funding be expected to achieve? Is this because we have more games and more events out of the province, or do we have more competitions within the province or more events? Or is it just the fact that we are looking at more competitors? So if we could have a breakdown as to how this increase is going to be taken care of.

Now, another line that I would like to question here before I do turn this over to the hon. Member for Edmonton-Centre is the 13.5 percent cut in the funding to the Percy Page Centre. This is such a unique centre that I think we are the envy of many provinces in Canada for having a centre of this nature. It's a centre that coordinates so many provincial programs, and certainly a decrease of 13.5 percent will have a huge impact on the Percy Page Centre. So if the minister could please let us know why there are these cuts to the Percy Page Centre.

Now, if time does permit, I would like to return and ask a few more questions, but at this time I'll turn it over to the hon. Member for Edmonton-Centre.

THE CHAIRMAN: The hon. Member for Edmonton-Centre.

MS BLAKEMAN: Thank you very much. Yes, it is indeed very tight timing to try and get through all the things that are in this department. What I wanted to do in the 10 minutes that we've got left – a number of agencies had contacted me in response to my notification that tonight was the debate on Community Development, many of them arts organizations, and I know that the minister, having come from this sector and having been involved with semiprofessional arts organizations for many years, would be interested in hearing some of these stories.

I think the major point that's trying to be put across here is that the funding for arts and culture has been stagnant. It's worse than stagnant, because it was essentially \$1.6 million in 1988, and it's \$1.6 million today. These groups can't go out and buy supplies in 1988 dollars. They have to pay 2001 prices. So they have suffered an extraordinary decrease in what their money can buy for them.

The results are fewer shows, fewer artists hired, fewer opportunities, fewer programs, and particularly less risk taking. There comes after a certain point a self-censoring of projects that they choose to do because they're under such pressure to generate this revenue, which is the new formula by which they will qualify for their own grants, that they feel forced to take the safe road and not do some of the riskier projects. Those are the ones really that in the end put us on the map. That development of our stories, that arts development is what is most critical and has few champions, but we're losing that. We're losing new play development, we're losing multimedia, we're losing literary opportunities, and that's really the crime here. When we look back on what we're so proud of from the development of the ministry of culture under the hon. minister at the time, that's what was really extraordinary, and both the minister and I were working in the sector at that time, and we know what it was like.

So I'm going to go through some of the points that have been raised to me in the letters and e-mails that I received. Here's one: "It will mean hiring less artists, and doing less in the way of presenting, programs." This group received 20 percent less in their AFA festival grant, and

the cost of providing the same service to the community (renting tents, paying service bills, etc.) is costing between 12% and 15% more for the same stuff. It's so demoralizing, trying to put on a great event that the community wants/needs and having inadequate money to do it. Sponsorship dollars are also becoming more scarce as every not-for-profit is going to the same well!

She sent me an article from *Canadian Culture* magazine about how other provinces are investing in festivals and reaping enormous impact from it. Quebec did a study in which they showed that they were realizing

\$35-\$40 [million] in provincial tax revenues, 83 per cent increased revenues between 1993-1998 and increased tourist attendance . . . [and particularly] noted that proper funding of program activities is key to the development and renewal of major events.

Amazing things happening in Ontario as well, again with the study identifying all kinds of things. Ontario spends \$1.6 million, the same amount that's going to arts in Alberta, to assist "in marketing selected tourism festivals and events to strengthen the brand image." I mean, wow. That doesn't make us look very good, stacking up against that. That's what they spent to promote this stuff. We're spending that amount of money for every arts and cultural group in the province. Also some interesting stuff out of Nova Scotia, and I'll send this across to the minister so he can have a look at it.

10:20

There's been a real issue around PASOs, provincial arts service organizations. I'm sure the minister has heard me speak in this Assembly many times about that. This was the downloading of

programs from the government onto the sector. They accepted those programs because they didn't want to see them lost. Then we ended up with the designation of these PASOs. But I noted before and I'll note again that what they got was the exact line item to run the program. They didn't get administrative dollars. Increasingly these organizations are coming back and saying: we can't afford to do this PASO stuff; it's sucking away our main reason for being here. There's pressure on them from the AFA and from the department to do more with less, and it's costing them to do this. I think there's a real problem there.

Based on what I've seen, I think the minister may well be looking to the point where some organizations just go: "Forget it. We don't want to do this anymore. Back to you." Then we're either going to lose the programs, or they're going to end up back in the minister's lap, so it's worth his while to be giving some more support here.

The Arts Touring Alliance of Alberta got their grant cut by 6.3 percent and with no warning. At this time PASOs are being told to get out there and provide service and connect with the rural community. Well, for that one, you know, they're having to cut the very stuff that accomplishes that connection. The other issue is that PASOs are denied charitable status and casinos, so while they're supposed to be funding all of this stuff from somewhere, they're not being able to get access to casinos for some definition. Perhaps the minister can have a discussion with his colleague from Gaming and with his federal colleague at Revenue Canada about that one.

Here's another one. The Alberta Craft Council has sent me a very long e-mail detailing all kinds of cuts that they've had and things that they can't do because of the one-grant rule. I admit that to some the previous way of doing things where an organization would get an operating grant and they'd apply for special project grants or perhaps for a touring series or a community series might have seemed like double-dipping, but the truth is that those extra grants came into being to supplement that operating grant. That's why they were all there. To turn around now and say, "Okay; only one grant," is resulting in significant cuts to these organizations. They're cut back on their operating, and they've now lost access to all of these other grants that were supplementing them by \$6,000 or \$10,000 or \$12,000 and sometimes more than that.

So the Alberta Craft Council notes that they lost a \$10,000 grant for traveling exhibitions. The entire \$25,000 for Series, the adult summer school in Red Deer, is going to be cut over the next two years. The council itself has lost \$5,000. They note that their PASO activity accounts for about half of their work, yet really they're only being funded at about 26 percent. So they're in essence subsidizing this stuff by another 24 percent. Really the Alberta Craft Council is the fourth or fifth largest in Canada and in some cases exceeds others for the number of exhibitions that they've got – there are over 20 – and do much of the public work.

They note that they're one of the few craft councils in Canada that are paying commercial lease rates when others are in heritage buildings or get much more of a subsidy. The one in B.C. at Granville Island is paying \$350 a month. They're paying \$3,000. Saskatchewan Craft Council receives nearly five times what the Alberta one does. In Alberta there's no money in Tourism, Economic Development, Learning, et cetera, available for arts projects; we're having to fund it all.

Now, he also comes through and says: "Look; the AFA is what we wanted. It's doing a good job. The staff are certainly motivated. The big problem here is money." This sector has been choked off for a long, long time, and I expected this minister to do better. We'll see what happens in next year's budget, but I am sorely disappointed by his lack of support for this area in this budget. Certainly, you know, we've got everything there: the infrastructure, the AFA, the policies. They're just being choked off by money.

When I look at things like the media arts council, they're cut significantly. I think they were cut the most, 18 percent for the media arts council. This is the area that's expanding the most, and they were hoping to be able to hire a staff person and open an office. They can't do that. They're servicing over 900 Alberta media artists. Nothing is going to happen for them there.

The Banff Centre. I mean, what a gem, and that's been consistently reduced in funding and support from this government, the emphasis all going to the business faculty and the business side of it. This is where it all started, and we had an international reputation both for our artists going out and other artists coming in here. Certainly it has all of my support. It's a great resource not only to Alberta but to all of Canada. It's just quietly withering away there with, I think, a deliberate plan from this government to make it wither away. I would look to restoring this to the dynamism that it used to have.

I heard from things like the Heritage Festival and Afrikadey, both of them pointing out what popular festivals they are, how many people like to come, what it does for promotion of multiculturalism and understanding and tolerance. They're being cut. You know, Afrikadey is saying: we may not be able to keep going. [interjections] Oh, I'd be very disappointed to hear these members heckling on that one. Please, do you really want it out there in the community that you're not supporting festivals like this, especially ones promoting racial tolerance?

THE CHAIRMAN: Hon. member, the people were not heckling you. I think they were just groaning that unfortunately the time is up.

We'd call on the hon. Minister of Community Development to make his concluding remarks.

MR. ZWOZDESKY: Thank you, Mr. Speaker. I took copious notes, and I'm sure my staff did. I stopped counting after about the 100th question, so I will provide written responses. I know how large the department is, believe me, and I applaud the opposition members for trying to get through it, as I did earlier. We will work through those questions, and I will undertake to provide the responses.

I do just want to conclude with a couple of comments, though, in a broad general sense that I didn't get in under the first few minutes, and that is to just re-emphasize that we do recognize the economic impact and the importance of nurturing our Alberta talent in the area of Alberta film development, which is why we extended that program for another two years beyond this current year to the tune of \$5 million per year.

Sport is also an important aspect. Therefore, an amount of \$400,000 has been allocated in 2001-02 to honour Alberta's commitment to the 2004 Arctic Winter Games. We also committed \$40 million from lottery funding to host the 2001 World Championships in Athletics in Edmonton. This funding and support for other games will help us achieve our corporate initiative that is listed on page 92, which includes references that some of the members made to the Alberta Games, the Alberta Seniors Games, Western Canada Summer Games, Canada Games, Arctic Winter Games, the 2005 Goodwill Games, and of course the 2001 World Championships in Athletics. Support for these events is very critical in our overall support development plan.

Mr. Speaker, I mentioned earlier that my ministry has many entities that report to it, and of course the Alberta Sport, Recreation, Parks and Wildlife Foundation is one of them. It receives about \$15 million in lottery funding, and it goes a long way to help out in that area. The Alberta Historical Resources Foundation receives about \$6.6 million, and that goes a long way to helping out in that area. The Alberta Foundation for the Arts, which received \$16.1 million

in lottery funding, also is responsible for the Alberta film development program.

M. le Président, il me donne beaucoup de plaisir aussi d'annoncer que j'ai la responsabilité pour le Secrétariat Francophone. Je suis très fier de ça parce que ce secrétariat veut consulter les Franco-Albertains et les Franco-Albertaines pour développer, à partir des besoins exprimés, un plan d'action qui servira de base pour la négociation d'une entente fédérale et provinciale pour appuyer le développement de la communauté Francophone. C'est très important pour beaucoup de nos Albertains.

10:30

In any case, we also have to remember that it's the International Year of Volunteers, an occasion to celebrate our province's real heroes, and the Wild Rose Foundation will be allocating all of its \$6.6 million in lottery funding to help community service organizations, beginning with the first round of grants that has now gone out. I would just give an additional reminder to people who do read *Hansard* that the Wild Rose Foundation is undertaking the very important Vitalize conference coming up on June 7, 8 and 9 in Edmonton. It's a wonderful opportunity for our community volunteers to come out and receive some additional training, learn something about what other communities are doing, and share in a marvelous experience.

Mr. Chairman, I'll just close by saying that this ministry can and does make a very significant contribution to the quality of life in this province. [some applause] I appreciate the applause. I'll have to say that all again now. Unanimous consent to extend my time, please?

HON. MEMBERS: No. No.

MR. ZWOZDESKY: I want to say that Community Development impacts the quality of life of every single Albertan in this Chamber and outside this Chamber. It's our job to ensure that with this ministry, which has a fine tradition under previous ministers to demonstrate flexibility in meeting and serving the needs of Albertans, that fine tradition is continued. I'm confident that these high levels of service and performance will continue.

I will undertake to provide the written comments to the members who've asked for them. I'm grateful for their input. I know they care deeply about this department, as do I.

I want to again thank my staff who are here tonight and those who are out in the field for their tremendous support.

We look forward to great things in this wonderful year when we're balancing economic and fiscal and quality-of-life issues in the Future Summit, and I'm happy to play a leadership role in that regard.

Thank you all.

THE CHAIRMAN: After considering the business plan and the proposed estimates for the Department of Community Development, are you ready for the vote?

HON. MEMBERS: Agreed.

Agreed to:

Operating Expense and Capital Investment	\$591,160,000
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THE CHAIRMAN: Shall the vote be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

The hon. Deputy Government House Leader.

MR. ZWOZDESKY: Thank you, Mr. Chairman. It's been a very productive evening, and as I mentioned, I've got at least 100 questions to respond to. I want to get at them right away, so I would move that we adjourn for the evening and reconvene tomorrow. Oh, I'm sorry. We're rising and reporting first. I'm so anxious to get to the questions to answer them.

I would move that we rise and report progress and beg leave to sit again.

[Motion carried]

[The Deputy Speaker in the chair]

THE DEPUTY SPEAKER: The hon. Member for Wainwright.

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

Resolved that a sum not exceeding the following to be granted to Her Majesty for the fiscal year ending March 31, 2002, for the following departments.

Agriculture, Food and Rural Development: operating expense and capital investment, \$610,031,000.

Community Development: operating expense and capital investment, \$591,160,000.

THE DEPUTY SPEAKER: Does the Assembly concur with this report?

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? So ordered.

head: **Government Bills and Orders** **Committee of the Whole**

[Mr. Tannas in the chair]

THE CHAIRMAN: I'd call the Committee of the Whole to order.

Bill 1 **Natural Gas Price Protection Act**

THE CHAIRMAN: We have for our deliberations right now amendment A2 as moved by the hon. Member for Edmonton-Ellerslie on behalf of her colleague the hon. Member for Edmonton-Gold Bar.

Do you have any further comments or questions with respect to amendment A2? The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Certainly, Mr. Chairman. In light of the hour I'll be very brief. Whenever you see something you don't agree with, the best thing to do is to work hard and try to improve it. This is certainly the purpose of amendment A2, to deal with auditing.

Now, when we look at the Natural Gas Price Protection Act as it exists, there is the capacity here, Mr. Chairman, for billions and billions of dollars to be disbursed. I'm not against consumer protection from rising natural gas prices, but I'm certainly against this bill. The amendment would provide an auditing feature, and I would urge all hon. members of this Assembly to accept this amendment because there has to be an auditing feature to ensure that if it's billions of dollars that are going to be spent, that money is going where it is directed and where it is proposed.

That is why I took the time and decided that an auditing feature incorporated into this legislation would be a sound idea. I'm

confident at this time that hon. members of the Assembly will accept this amendment. Thank you.

[Motion on amendment A2 lost]

THE CHAIRMAN: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Yes, Mr. Chairman. Myself and the research staff have had another look at this bill and have detected another flaw. It's simply a slogan bill, and I can hear the hon. member's sloganeering. That is a simple description of this bill. It's quickly taken from the *Calgary Herald* editorial pages from 1974. If we're going to be recognizing the strong majority the government has, we're going to have to again try to improve this.

I see in here in section 3 that there is talk of rebates to vendors. Section 3 currently reads, "A rebate under this Act may be made directly to eligible consumers or to a vendor."

10:40

THE CHAIRMAN: The hon. minister is having difficulty with his desk? Hopefully it is now rectified and won't need fixing again. Sorry for the interruption.

The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: That's fine, Mr. Chairman.

There's no definition of a vendor in this bill. When you consider that "a rebate under this Act may be made directly to eligible consumers or to a vendor for the benefit of eligible consumers" and in particular that this could turn into a bill that subsidizes generation of electric power from natural gas as a fuel or a feedstock, I think it is very important that there be a specific definition of vendor in this bill.

I'm proposing an amendment, and at this time I would like to present the amendments to the chair. Perhaps they could be distributed, please.

THE CHAIRMAN: I wonder if the page could pick up the amendments. Thank you.

MR. MacDONALD: May I continue, Mr. Chairman, or shall I wait? [interjections]

THE CHAIRMAN: Hon. members, we are just pausing for the moment. It's not an invitation for disorder.

The hon. Member for Edmonton-Gold Bar to explain amendment A3.

MR. MacDONALD: Thank you, Mr. Chairman. Now, I think it is very important that there be a specific definition of a vendor. This bill in its present form again could get totally out of hand. In previous legislation which deals with this issue and unfortunately is going to be repealed, the Natural Gas Rebates Act – the existing rebates act has a specific definition of a vendor. Why when we see the fact, for instance, that location-based credits are being initiated to have natural gas fired generating stations located in different areas of the province where there are transmission constraints in our electric system – again, this rebates act could get totally out of hand without a definition of vendor. We're talking here about rebates to vendors, and what harm – what harm – would there be to having a specific definition of exactly what a vendor is going to be? This indicates to me that this bill was drafted in haste. It is simply again a slogan bill, Mr. Chairman.

Now, I'm not going to go at this time into the details of this, but in order that there will be no huge subsidies and this will not be used as a vehicle to subsidize electrical power generation by natural gas

generators, we need to be careful about this. That is why we need this definition, and I think this definition is suitable, and it will meet that purpose, Mr. Chairman.

Thank you.

[Motion on amendment A3 lost]

MR. MacDONALD: I am very disappointed, but at this time, Mr. Chairman, I can only say, in summing up my remarks in committee, that this legislation is simply a bill that could possibly cause financial turmoil down the road for Albertans. There is existing legislation in place. We all heard the arguments that we had to get out from underneath the dome and not burden Albertans with excessive legislation, and this is excessive legislation. This is a repeat, because the bill is already in place that will provide rebates. The rebates in the existing legislation also can be provided by . . . [interjection]

THE CHAIRMAN: Hon. Minister of Environment, thank you. If you wish to be on the speaking list, stand up and speak when it's your turn. Right now it's Edmonton-Gold Bar's.

MR. MacDONALD: I would remind all hon. members of the Assembly that this bill is before the Legislative Assembly. It's not before the courts. I would encourage all hon. members, if they have something to say about it, to please stand up, because I would be eager to listen to their comments.

This bill in this form is simply a slogan bill. It is not necessary. That is all at the moment that I have to say. Thank you.

[The clauses of Bill 1 agreed to]

[Title and preamble agreed to]

THE CHAIRMAN: Shall the bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

The hon. Deputy Government House Leader.

MR. STEVENS: Yes. Thank you, Mr. Chairman. I move that the committee rise and report progress.

[Motion carried]

[The Deputy Speaker in the chair]

THE DEPUTY SPEAKER: The hon. Member for Medicine Hat.

MR. RENNEN: Thank you, Mr. Speaker. The Committee of the Whole has had under consideration and reports Bill 1. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

THE DEPUTY SPEAKER: Does the Assembly concur in this report?

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? So ordered.

[At 10:49 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

