

Legislative Assembly of Alberta

Title: **Tuesday, April 22, 2003**

8:00 p.m.

Date: 2003/04/22

head: **Committee of Supply**

[Mr. Tannas in the chair]

The Chair: I would like to call the Committee of Supply to order.

head: **Main Estimates 2003-04**

Economic Development

The Chair: I would ask if there are any questions, comments to be offered with respect to these estimates and budget.

The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Mr. Chairman, I expect the minister to get up and give us an overview.

Mr. Norris: Well, Mr. Chairman, far be it for me to disappoint the hon. member opposite. I would love to make some comments about what I feel is probably one of the most remarkable departments in our government, and I will open my comments by giving an introduction and a big thank you to some people who have joined us here tonight. In the members' gallery we have with us from our department Duane Pyear and Assistant Deputy Minister Rick Sloan, if you want to stand up. Mark Erdman, don't stand up; you'll hit the roof. You can stand up. There he is. Deputy Minister Barry Mehr, and next to him is Anthony Lemphers, our finance; Lou Normand, who's involved in our value-added strategy; and of course Colin Jeffares. This is part of the team of Economic Development, which is why we're clearly doomed.

Anyway, I would like to give a brief overview of what our department does and then answer any questions that come forward. I guess that in a nutshell, Mr. Chairman, what we look for in Economic Development are ways to continue the program that was put in place by Premier Klein, which is diversifying our economy, and in order to do that, we've come with a few strategies. Why do we want to diversify obviously is a simple question. We're looking for continued prosperity for this generation and every other generation that follows to continue making Alberta the best place in Canada and certainly the world to live. In order for us to do that, we've taken the resources and energy of this department and come up with a few strategies that I would like to outline tonight and then answer any questions members might have.

The first strategy that I wanted to touch on very simply, Mr. Chairman, is our value-added strategy. That was addressed in the throne speech by Premier Klein, and it looks at ways of getting our commodity-based economy to the highest level of export goods. It's a way that the government can assist not in picking winners and losers so much as understanding what industry's needs are, relaying them back to the government, and making sure that we're doing the best job we can on behalf of Alberta industries.

Of course, we know the key industry in Alberta is oil and gas. That doesn't change, and it's not likely to change in our lifetime, but we're looking down the road past that, Mr. Chairman. Of course, agriculture is a very, very big producer; forestry, tourism, and industrial construction. So when we talk to industry about ways to make this the best business platform to deal with, those are what we're looking at. We're looking at listening to them and working on it.

The second strategy that we're looking at, Mr. Chairman, is a rural

development strategy. We're working in conjunction with the hon. Member for Wainwright and the hon. Member for Innisfail-Sylvan Lake, and we're trying to identify ways to keep rural Alberta healthy. It's for a number of different reasons, but most obviously is that most if not all of our resources are extracted from rural Alberta, whether it's oil and gas, coal, forestry, agriculture, et cetera. We want to find out what makes rural Alberta strong and keep it healthy so that the incredible growth that's going on in the Edmonton/Calgary corridor can be sustained as well as building on that with rural Alberta. We're working very hard with, as I said, the hon. Minister of Agriculture, Food and Rural Development. We will have a joint policy hopefully in the next short while to articulate that a bit better.

The third strategy we're working on is an aboriginal framework. For a number of different reasons, Mr. Chairman, this has taken on a great interest and importance to Albertans. As you know, we are dealing with the hon. minister of aboriginal and northern affairs as well as the chairman of the Northern Alberta Development Council as well as the hon. minister of sustainable resources to try and identify how we extract the resources at the least cost to the First Nations aboriginals and how to get them more involved in the extraction of these resources and the development for their own communities and the good of all Alberta.

One strategy that I'm particularly proud to say that we've worked on, Mr. Chairman, is our tourism strategy. As you'll know, we recently announced some additional funding, recognition of our government's understanding that there is some work we can do to help promote this glorious province of Alberta not only to other Canadians, North Americans but to the world. As a result, we want to see our gross receipts from tourism grow dramatically, and hopefully we're on the right track with that. We have identified markets around the world that choose Alberta as a destination over and over again, those being the United Kingdom, Germany, and Japan. So we've set up offices or are increasing our presence there to let the message be known, and we're working with the industry itself, Mr. Chairman, to try and understand how we can get to the next level with them and make that particular industry grow and flourish.

The final strategy that we're working on, Mr. Chairman, is international markets, and for obvious reasons Albertans are some of the best exporters of goods and commodities in the world. We do most of our trade with the United States. We'd like to get away from that dependency a small amount. Of our \$150 billion gross domestic product about 87 percent of that is exports to the United States, and we want to identify other markets so that in the event that the United States slows down or that there are some challenges in their economy, we're not held to it the way some other provinces are and find ourselves in the position that they find themselves in. Of course, when we do that, we help expose Alberta businesses to the rest of the world, and we do that internally. As I said, all of this is driven by diversifying our economy, continuing to make it strong, and continuing to make it the envy of the rest of Canada.

One of the things that we've been working on quite vigilantly, Mr. Chairman, is ways in which we can get the Alberta advantage message out and keep the Alberta advantage strong. We define that Alberta advantage as an outstanding place to do business, hopefully low government regulations, broad-based low taxes, identifying why people want to choose Alberta to make that their home. As you know, under Premier Klein and the class of '93 some 500,000 people have chosen since '93 to make Alberta their home, and that has taken our population base from 2.6 million to the current 3.1 million. That comes with some challenges, and we want to make sure that we can sustain that kind of growth.

So those are kind of the main programs we're working on, Mr. Chairman. We want to make sure that we listen to industry, all of them. We want to identify emerging industries and markets that are becoming available to Alberta companies and the Alberta government, and we want to continue to grow what we believe is the best economy in Canada and certainly the world.

So I want to close by saying that I'm very, very proud of what I've learned in this department, very proud of how we've worked with industry and let them know that we will continue to do so.

I'll be happy to answer any questions now, Mr. Chairman, and thank you for your time.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I'm hoping that we can follow the same format this evening in estimates as we have in other instances, and that's where we ask a couple of questions, the minister answers them, and then we can carry on from there with the first hour for opposition and the next hour for everyone who wants to engage in the Assembly.

First of all, I'd like to thank all of the staff that's here. They work hard to make you look good, Mr. Minister.

An Hon. Member: Well fed.

Ms Carlson: And well fed. Yes. A lot of overtime goes into that I'm sure. But I also know that your staff really likes you for some reason, and everyone I've talked to seriously appreciates working for you, so we'll have to work a little harder to find out why that is, but we'll keep at it.

This is a ministry that used to be known as the cookies and pork ministry, and those were in the '93 days that you talked about earlier. It got pared down quite significantly. Now it looks like it might be bloating up a little bit more, so we'll be keeping our eye on the ball here to make sure that we're getting good value for our money.

It's interesting to note that during the cookies and pork time, the Member for Edmonton-Glenora was a part of that team, survived the cuts, and that makes him perhaps craftier than we had anticipated as well, so we'll have to keep an eye over in that corner of the Legislature too.

An Hon. Member: That makes him the cookie.

Ms Carlson: Makes him the cookie. Doesn't look like the pork, but he could be the cookie. That's true.

So we'll watch what's happening here as the money gets added. Where we see the most money being added this year is in tourism areas, and I don't necessarily disagree with that strategy. Certainly we have a huge draw in this province when we take a look at Jasper, Banff, and Calgary, but it seems that we don't get much of a tourism draw over and above that. Now, I know that for a decade, at least, people in Alberta have been concerned about the amount of money that has been drawn into those three target areas and the little amount of spillover there is for the rest of the province both in terms of money spent from economic development and tourism and people who actually visit.

8:10

So I'm wondering what the minister has in mind in terms of focusing a little more on northern development and also focusing on something that I've noticed in our travels. When we go to an area that's new – and I'm usually the one arranging for the touring around the area – what happens is that I look for tourist highlights, and then

I look for ways to get to those places. It doesn't matter if it takes one hour or two days; if it's interesting and transportation is readily accessible, then that's what we do.

It seems like when I look at the tour books that are offered or any of the tour guides that you can buy in a bookstore, for instance, what someone from out-of-country would be buying about Alberta, you don't see these kinds of connections obviously. When I take a look here in the advertising that we do, be it through Travel Alberta or any other kind of venue, the roadside stops for tourist information, I don't see those hookups readily. I don't see a bus tour that can take me from Jasper to Lake Louise to Banff to Calgary to Drumheller to Edmonton and then back to Jasper so that I can continue on with whatever my connections are. I'm wondering what kind of a focus the minister is putting on that in addition.

So northern development. I know the mayors in the northern cities are quite happy with the relationship they have with you, but let the Assembly know how much money you're spending, how much focus you're putting on that, and if you're taking a look at making any of those connections at this time.

Mr. Norris: Well, I'd like to thank the hon. member for her comments. I wasn't around in '93 when the pork and cookies were being handed out, but by bloating I presume that you mean the department and not me personally, so I won't take any offence to that comment.

I guess, in answer to your question, that when we're looking at development of any region, it's not sectorized into northern, southern, central, Edmonton, Calgary, et cetera, but we do spend a lot of time on regional economic alliances. The reason we do that is that we've found that when you're marketing a region, it's far more marketable than if you're marketing specific cities or towns in that particular region. So we do have a number of alliances throughout the province of Alberta that receive support from our department: CAEP in central Alberta, Grizzly in northern Alberta, Growth, Hub, Palliser I think is in southern Alberta. They're regional alliances where MDs and towns get together and say: we want your assistance in marketing this region to the world and to other businesses who might be setting up here.

What I've found very fascinating is that there is a large industry of site selectors. Companies no longer take the time to go out and do the work where they go and visit the mayors and the reeves, et cetera, to see what's available. They get online, or they'll go to a conference, and you have to be represented as a region for those site selectors to take interest in your area. We've had a number of good successes, particularly with the international region, which is Leduc/Nisku/Millet, et cetera, where people say: "What's in the area? Are there good transportation links? Are there good resources? Is there good education, good infrastructure? Are there recreational opportunities? Are there arts?" Things of that nature.

When we put all those packages together, that's where we spend most of our time and energy trying to promote the province. So as far as northern development, what we look for in conjunction with my colleague from sustainable resources is to identify what the key industries are there now and how we can help them succeed but also what the region has to offer. We found that to be a good solution.

With regard to the tourism question that you had raised, what we are trying to do overall – and this is fundamental to our tourism industry – is to be competitive with our biggest competitor to the west, British Columbia, and our biggest competitor to the east, Ontario. Fundamentally, what we see is that the role of the Alberta government is to market the province, and that's it. We don't market hotels. We don't market malls. We don't market Calgary Stampedes and Edmonton Klondike Days. We go out to the international

marketplace and say, "Here's what you will find if you come to Alberta: pristine lakes, beautiful rivers, mountain vistas, et cetera." Once we get them here, then it's the job of the Calgary Stampedes and the Edmonton Klondike Days to draw them in, and they do that through various ways like you talked about: airports, points of entry, border crossings.

Where Travel Alberta does get involved is that we do produce three or four different guides, which I'll be happy to supply to you. They're all for different regions – mountain, central, south, north, et cetera – and they do outline what is available for tourism opportunities in those particular regions. What we've tried to do is to say that if you're coming to Calgary or Edmonton, which are the two gateways to Alberta, please don't go on through Kamloops and into Vancouver or through the Okanagan Valley to Vancouver, which is really what all the evidence says is happening. Stay and go east, and you'll find remarkable opportunities here in Alberta: Cold Lake, the Lakeland district, Fort McMurray, et cetera.

So we're developing trails, and we're doing this in conjunction with the Minister of Transportation for the signage of those trails. We have the Grande Alberta Trail. We have the Poundmaker Trail, the Dinosaur Trail. What we're saying is: "Yes, if you come to Calgary, please stay and enjoy the Stampede, but don't leave. Go east and see what's in the Badlands area, what's in Drumheller. Go to Rosebud; check out the world-renowned passion play." Where we see our role in our guides is talking about those things. We do it in conjunction with industry, who buy into this and tell us: this is what we really need to be talking about in this particular region. Your comment is a very valid one. There is no simple way to get people out of the main cities and the mountain regions heading east in Alberta, but we are making a stab at it, and we are trying to promote those trails quite a bit more.

The final comment I'd like to make about northern development – and this ties in with the hon. minister of aboriginal affairs – is that we are looking at some kind of tourism destination that would be done in conjunction with First Nations Albertans where it's an historical camp, for want of a better term, where you would go live a day in the life of 1860. It's modeled after the Polynesian theme camp in Hawaii. Unfortunately, we haven't been able to go over and tour it, but at some point we'd like to. As I understand it, the central hub is the Polynesian people, and then you go to the Maori camp, et cetera, et cetera. What's really exciting is that the First Nations elders have now allowed us an insight into a day in their life, so it could take form. We get overwhelming response from German and Japanese visitors that this is something that they'd like to see, and that would clearly be located in northern Alberta. So we're looking at that as kind of a package where you would come into Edmonton or Calgary and then tour around and have reasons to go visit and then tie them into the marketing materials.

I hope that answers your question.

The Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much. [interjection] A little friendly competition here.

Mr. Norris: Don't fight, girls. There's plenty to go around.

Ms Blakeman: Oh, dear. That was a mistake, Mr. Minister. This night could be longer than you thought.

There are two issues that I wanted to raise with the minister, both of them around tourism marketing. I listened carefully to what he said about marketing the province – in other words, the natural resources of the province, one presumes – and that once people get

here, then it's up to the various sectors to reach out and try and snag that tourist dollar. There are two things here. When the minister appeared before Public Accounts, I pointed out to him that I felt that in the way some of his programs were set up, the access points and the very criteria and eligibility might be precluding the arts community from gaining access to tourism points. As I was discussing this later when I dropped by the Alberta Craft Council, their manager perked up his ears and went: "Well, actually, Laurie, that's exactly what is happening. Maybe you could ask the minister this." So here I am, asking the minister.

The Alberta Craft Council at www.albertacraft.ab.ca has been trying to link with the Travel Alberta site at www.travelalberta.com because they have two things on their web site that are of great interest to people. I don't know what the minister is interested in when he travels, but I know that a lot of people when they travel are interested in local crafts, and we have some very fine craftspeople here in the province. What the Craft Council had put together was a map of Alberta showing where you could find fine crafts. These have been juried in some cases and have a stamp of approval to them, if you like, but it's saying: this is good stuff. They have a map on their web site that shows where you can access these different craftspeople across Alberta, and they also have a calendar of events where there might be craft fairs, for example, or certain days or that kind of thing. So it only makes sense that they could be able to link with the www.travelalberta.com site, and they are getting a big zero. They cannot connect there, and nobody is returning their calls. Nobody will help them. Nobody will interact with them at all. I'm thinking: this doesn't make sense to me.

Maybe the minister knows why Travel Alberta is not willing to work with the Alberta Craft Council in promoting these fine craftspeople across the province. Certainly, shopping is one of the things that tourists like to do, and here is an opportunity where it's being provided for them in colour and on a web site if Travel Alberta would just link with them. So I'm going to put that to the minister. I'll wait for his response, and I can send that back to the Alberta Craft Council. I'm hoping we can make this happen because it's a win/win. It helps our craftspeople, our artists and artisans here, and that money stays in the community. That's new money that's brought into the communities from the tourism dollar and that stays there. So it doesn't make sense to me why this is going off the rails.

8:20

To mix my metaphors, not going off the rails but going on the snowmobile tracks, I know that the minister attended the Alberta Snowmobile Association jamboree in I think it was Bonnyville-Cold Lake two years ago and waxed enthusiastic at the banquet and dinner about what a great idea these trails were and the possibilities for tourism. I guess the minister hasn't heard my speech about tourism dollars in snowmobiling, but that's big money. There really aren't enough places to keep me in Alberta. I find myself reluctantly – nonetheless, I do it – crossing the border into either B.C. or into Montana, Wyoming with my tourism dollars and my snowmobile on the trailer on the truck, which of course needs to be gassed up. The snowmobiles need gas and sometimes they need parts, and I'm going to stay in a hotel, and I'm going to buy restaurant meals. There are a lot of tourism dollars that are driving either south or west.

There have been a number of different schemes that different governments have come up with over time, sometimes allotting I think in the States and maybe B.C. as well a certain percentage of the gas tax. I'll tell you that I'm not in favour of that, because I think that as soon as you start designating certain parts of taxes, then everybody wants another little piece of it. When they want more, then the taxes start to go up, and that is not a good way to control

that kind of thing. So I'm personally not in favour of it, but there are a number of different schemes.

I'm looking to see whether the minister is either looking inside his own department for development of a snowmobile trail system or multi-use trail system or whether he's been working with his colleague the Minister of Community Development on the multi-use trail system, Alberta Trailnet, which is part of the Trans Canada Trail, or whether he's looking at funding some of these trail developments, whether he's looking at promoting it, whether we can get cross-linkage on web sites, what possibilities. I notice the Minister of Government Services sitting beside the Minister of Economic Development, and he has in his backyard phenomenal snowmobiling in the Crowsnest Pass as a tourism destination, which I've been to, and also Pincher Creek. So we have some pretty wonderful places to snowmobile in Alberta, but we have never really come to terms with it and taken it seriously as a destination even to keep our own Albertans inside of Alberta traveling with their tourism dollars.

Those are my two pet peeves with what's happening with linkages with tourism in Alberta and the structured tourism that's under the minister's department's steadfast refusal to be flexible enough and to – here I go with that hated cliché – think outside the box, to work with both the arts and snowmobiling. So I'll leave those for the minister to comment on.

Thank you.

Mr. Norris: Well, I would like to thank the hon. member for her questions. I think she knows that I have a specific fondness for the arts. In fact, I was a performer in a musical. I was Bud, the singing cowboy, in a Grant MacEwan musical, and they were some of the best times of my life.

This may come as a big surprise, but I do not disagree at all as to what the arts offer for tourism. It makes me disheartened to hear that Travel Alberta has not been responding to such an obvious opportunity, and we will rectify that immediately. In fact, the ADM is here, and we'll discuss it right after this. But you do make a very good point. In certain instances people think you're coming to Alberta for the Calgary Stampede or West Edmonton Mall or the Rockies, but you know we have the Fringe in Edmonton, that brings in some 800,000 people in a 10-day period. It's a remarkable experience. The Big Valley Jamboree, which started in Big Valley and has since moved to Camrose, is a remarkable opportunity, not only an economic driver but bringing people from Saskatchewan, Montana, Idaho, British Columbia. These are cultural events; these are not tourism destinations. You're right: we must recognize what they can offer and look to Edinburgh, Scotland, as the grandfather of all Fringes. The biggest annual tourism draw they have in the country of Scotland is that particular event, and it's a cultural one.

So you'll get no argument from me that we need to look at that. I'm not really sure why there wouldn't be a link or why we wouldn't have access to a link. I have not designed the program myself, so I can't comment on the technology of it, but in principle it's a very good idea, and we will do it. That's a simple commitment I can make to you.

The other comment I would make on culture is that we find in an awful lot of instances that we're crossing with Community Development, so the Minister of Community Development may be working on something that I'm unaware of. We focus on how to make the experience in Alberta that much better for visitors. If it regards shopping or if it's touring around and seeing different cultural events – I mentioned the Rosebud Theatre. You know, we've got the beautiful Fort Macleod down in the Crowsnest Pass area. These are remarkable tourism opportunities. In Lac La Biche there's the

original mission, that is attempting to be restored to its original grandeur. You get the sense that when they came down the rivers and they stopped and they found this site and they built it, they were very courageous people, and we should embrace that. So we are looking at ways of funding that, and part of the new dollars that we received for tourism are going into product redevelopment and new product development. If it's a feasibility study that helps that community get it off the ground, so be it. If it's something that they've already got – in the case of the Lac La Biche Mission they have the ability to have banquets, but their kitchen is in the basement. They have no way to get the food up, and they need an elevator. These are simple fixes. That's not a lot of money, and that's somewhere we can help in product development so that the experience is that much better.

So I do take your comment, and I know that my department is noting it as well. I wouldn't be surprised if we don't have that link done, well, clearly before this tourism season. I think it needs to be done. Recognizing other areas that do such a good job of it: people will flock to the New England states in the fall to look at the trees, one of their biggest tourism seasons, to see the turning of the leaves. They have some term for it. Well, they recognize that that's an opportunity, and they hammer on it, and that's something we're going to try and do more through tourism. So I support what you're saying, and you won't get an argument from me on that.

With regard to the snowmobile program, you are talking about one of my favourite opportunities because I'm a sledder as well and grew up in the Pigeon Lake area doing that and love it. I now live in the west Edmonton part of the city, and nothing makes me sadder on a Saturday when I'm out with my kids than to see sleds loaded up heading to McBride and Valemount and Kamloops and taking dollars. They all have Alberta licence plates; they don't say British Columbia. They're all leaving here, and they're leaving here for a number of different reasons. Now, in some cases we have to be quite factual. The snow there is better at certain times. Last year we had a bit of a light snow season, so that's part of it, but another part of it is access to trails and the ability to get on those trails.

In answer to your question, I know that right now I'm working on a joint ministry initiative with the hon. Minister of Sustainable Resource Development and the hon. Minister of Community Development to say: listen; we have these remarkable opportunities in the Crowsnest Pass, Kananaskis Country on through Lac La Biche, Cold Lake, those areas. They're virtually tied together now through volunteer work. Volunteers man them. They clean them. They put up huts. They do it all voluntarily. They even produce their own maps. So this year for the coming season I know that Travel Alberta is looking at integrating all the good work that they've done and making sure that that's not overlooked.

One comment that I think has to be made is that there are steps being taken to get there. The Iron Horse Trail, as you probably know, announced just recently that they've now tied up 300 kilometres of old CN rail track, and that is going to be for sledding. That means that you can start at 10 o'clock in the morning and finish at 6 o'clock in the afternoon and not go down the same route twice. It's glorious. We did it last year with the hon. Member for Bonnyville-Cold Lake and the hon. Member for Lac La Biche-St. Paul. It's a remarkable experience. What they have done is all volunteer, so now we're working with them to get to the next level. Again, I said: maybe it's a feasibility study; maybe it's saying how many dollars are needed for signage. That's a big part of it. Where do you stage? What do you have for staging? Then the town starts to see the economic benefits that are remarkable. They really are. But it's Albertans spending money in Alberta.

Where we have to take the next step, quite frankly, is into

Wyoming, Idaho, Montana, where it's a hugely popular pastime. They're going to other places, and we're trying to say: you don't have to. I know that I met with the hon. Member for Livingstone-Macleod's group down there. I believe they're called the Crow Snow Riders, a great volunteer group, and they're doing exactly the same thing as the Iron Horse does. In theory you could start in the Crowsnest Pass, through K Country, and all the way up into Cold Lake uninterrupted on a sled, which would take three or four days at a minimum, and think of the economic spin-offs of that. So it's just a matter of tying all the pieces together, and we are committed to it. Fortunately or unfortunately, the money for that kind of project doesn't fall under my department. As the hon. member noted, it had a significant budget before. We target more investment and trade. Tourism is one major part of it. With the additional funding we're hoping to get to that level and start building what we see as great opportunities in Alberta.

8:30

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I just want to follow up on some comments the minister made. He's talked now about two cross-ministry initiatives, one being the aboriginal theme park and now the snowmobiling. So could you outline for us what other cross-ministry initiatives you're involved in and the indicators that you're using to measure the results of those initiatives?

Then just to go back to the aboriginal theme park for a moment, you've talked about this before, and we expected by this budget year to see it really up and running. Given the amount of unemployment, another disadvantage that this particular community has, we would like to see some inroads made here through a number of ministries, including your own. So if you could talk about a time line for that and any other initiatives you might have on the aboriginal side.

Mr. Norris: I can answer the first question. I'm sorry; I didn't quite catch the second. With regard to cross-government initiatives that we're working on right now, I outlined that one of the major ones is a value-added strategy. There are nine other departments that are involved in that. Our ministry takes the lead. I can list them for you: Energy, Sustainable Resources, Environment, Innovation and Science, Finance, Revenue, Agriculture, and Aboriginal Affairs. As I said in my opening comments, that's one where we're looking at not shipping out commodities in the raw form anymore, and how do we do that in any industry? It's not specific to any specific industry but all industries in Alberta.

Another cross-ministry initiative we're working on is a rural development strategy with the hon. Minister of Agriculture, Food and Rural Development. I alluded to that earlier. The hon. Member for Wainwright and the hon. Member for Innisfail-Sylvan Lake are heading up that committee, and we hope to have a strategy within the next six months, as I outlined, looking at rural development and ways that this government can make sure it ensures its livelihood.

Another cross-ministry initiative we're working on is with the hon. Minister of Innovation and Science. He heads up a body called ASRA, which is the Alberta Science and Research Authority. I head up a body called AEDA, which is the Alberta Economic Development Authority. We have got to a point in Alberta where we have some of the best research and development in all of Canada. There's no surprise about that. I think the University of Alberta was number one in receiving research dollars both publicly and privately, and the University of Calgary came in second. We are developing a number of new technologies every day. There's great news coming out of those research institutions. How do we commercialize on it? I know

the hon. member is working on our cross-ministry initiative to come forward with a strategy that says: here's how we think we can do it with government playing a role.

So those are the three major ones we're working on. If there are others, I'll take it under advisement and get you the information on them. The second question I didn't hear.

Ms Carlson: The second question was how you're measuring your performance there. If we take a look at what you've talked about in terms of diversifying value added, it's a great goal, but it's the same goal Peter Lougheed won the election with 33 years ago. So, you know, we need some results. [interjection] Well, I hear some desk thumping, and, yes, it was a great idea. I believe his campaign at that time was: we're going to do it now. Yet we're still sending raw logs out of the country, we're still sending wheat that hasn't been refined into value-added products, and we're still sending crude oil. So we need some performance measures, and I think we need some reporting back on how successful you are. So if you could just tell us what it is that you're using to measure the results of your initiatives.

The Chair: The hon. minister.

Mr. Norris: Yes. Thank you, Mr. Chairman. Well, obviously, like any small-, medium-, or large-sized business we do have methods of measuring our results. Clearly, they're open to various forms of scrutiny, and we do produce documents on a regular basis. We have a monthly document that goes out about Alberta exports, and we have a yearly document on our international offices called AIMS, the Alberta international marketing strategy, that outlines what we are trying to do and trying to accomplish.

One of the methods that we use is the volume of exports. Have they increased or decreased? I'm very proud to say that because of some brilliant policies put in place in 1993, they have increased every year since then. Our GDP volume has virtually doubled since 1993. It was some \$85 billion. It's now \$150 billion. So that's clearly an indication of some success. The number of jobs that have been created in Alberta since 1993 are in excess of 350,000. That's people coming from out of province looking for an opportunity in Alberta. So that's clearly a measure of success. The average income for Albertans is the highest in all of Canada.

There are a number of indicators that we look at to say, "Are we successful?" the same way a business would. Do I have more customers or less? Is my volume of sales greater or less? Is my bottom line better? We translate that to the same methodology for the government.

I heeded your comment about our former Premier Lougheed, who embarked on a program of diversification, and would respectfully disagree that it hasn't happened. It's happened in spades. There was a time here in Alberta not so long ago when we would ship carcasses down to Toronto and have them dressed and sent back to Alberta because it was just more convenient to do so. Well, now we have three or four of the best packing plants in all of Canada operating here in Alberta. That was a specific initiative to say: "Why are we doing it? Why are we sending the raw goods out?" A lot of it is market driven. We recognize that it's always going to be that way. It's the industry that's going to tell us what they want to do, but we have made a huge amount of headway.

Our petrochemical industry, for sake of example, is now some \$9 billion. Joffre and Fort Saskatchewan are, of course, there for a reason. They didn't just happen. It dovetailed on to the fact that Alberta is blessed with natural gas and oil, and we said: "Well, what's the next step? What's the next logical step?" We're not

going to send it down to the Gulf coast, where it'll be transformed into goods. We're not going to ship it over to Taiwan, where it can be transformed into goods.

So there have been successes, but they're measured against what I believe is a market economy, and under the market economy we allow businesses in Alberta to determine where they want to go. I think our job, then, quite simply is to say: well, we would like you to look at this because where value added is is where the dollars are, and it's where the jobs are, and it's the long-term sustainability. Once the raw goods are shipped out, you get a certain dollar value for it. Once you start upgrading it, you get significantly more.

So I'd say the program – you're probably correct. Has it worked a hundred percent? I don't know. I wouldn't say yes or no, but I would say that it gave us a great platform. You mentioned earlier about some of the trips that we take to promote the province. One recent one was to Minnesota to talk to Cargill, and Cargill's next step will be to get the store-ready. They're not at that point right now, so they're producing in-bulk boxed goods. We're saying get to the next stage of value added, which is store-ready. So we aren't there yet, but I don't know when that cycle will ever end, because there are always new technologies coming onstream.

So I guess in answer to your question, what Premier Lougheed started was a brilliant plan. Was it as successful as he might have liked? I'd have to ask him. I don't have that answer, but do we see where we can continue on growing it? Oh, absolutely, and that's what we're really looking at. So it's not that it's stalled or it's not happening. It's just that government isn't going to intervene because that's not the way this government operates. Other governments might do that. If you look to our neighbours to the east, you'll see intervention in every single industry, and you'll see it propped up by huge taxation dollars, and you'll see a bloated debt that they can't support. Well, if you look at Alberta, you don't see that, because we're letting business drive the economy.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. When I take a look at the business plan, there's a big focus this year on the film industry, and it isn't one of the things you talked about in terms of a cross-ministry initiative, yet I know the Minister of Community Development likes to take a lot of credit for what happens in that particular field. We know that your department operates the Alberta film office and that it was created in August of this past year. So can you tell us how the opening of the new office has helped the film industry and what kinds of returns Albertans can expect on their investments in the film industry now and any other details you may have, like how many films were made last year or what the projection is for this year and how that differs from other years?

Mr. Norris: At the outset, Mr. Chairman, I'd like to thank the hon. member for such excellent questions. I believe that at the heart of it we're talking about economic development and diversification. The film industry is a real jewel in Alberta's industries, and you're right. There is a cross-ministry – it's not an initiative. It's an ongoing arrangement with the hon. Minister of Community Development. Under his department sits the Alberta film development fund and under our department sits the commission, two very distinct operations. The film fund is obviously the granting body. The commission is the marketing arm of Alberta film in conjunction with the Alberta producers.

8:40

What we saw happening was that in other jurisdictions, regarding the film industry, there were a number of different government

interventions: tax credits, flow-through shares, labour credits, et cetera. Well, the government of Alberta doesn't do that, so we established a different kind of fund that is a leveraged fund with industry. That fund started in 1998, I believe – I could stand to be corrected, but I believe it's 1998 – and at that time film in Alberta had hit an all-time low in revenues. I think it was some \$75 million.

The industry calls what we have in Alberta God's backlot, and I agree. There's every single form of setting imaginable that you could find, from the badlands to the Rockies to the Cold Lake area to the lakeland country. We have everything that's required for film shooting. We also have a remarkable industry through places such as NAIT and SAIT, where they get their training and then, of course, through the local TV stations, where they earn their wings.

So what we determined that we would try and do is work with them in conjunction with the hon. Minister of Community Development and our department to not direct the industry but to help it grow. Since that fund's inception I'm proud to say that the gross sales have risen from about \$75 million to I think just under \$400 million this year. It employs a staggering amount of high-tech jobs, which is very, very good for Alberta, and we are getting more and more productions. I think that at this point there are some seven major motion pictures either being filmed here or under way. The most recent, of course, was *White Coats*, that was shot in the old Charles Camsell hospital. I understand that Kevin Costner is now going to be signing on to do his sequel to *Dances with Wolves* in the Canmore-Cochrane area. So we're very excited about what's happening in that regard, and we see it as assistance to an industry that is putting it on a level playing field with the other jurisdictions in Canada. That's the most recognizable way to describe building this industry.

Where do we see it going? We'd like to see it as a billion dollar industry. We'd like to see that the people who are employed here don't have to go seasonally to Vancouver when work wraps up on series and short television shows here. We'd like year-round work, taking advantage of everything that we have in Alberta, to keep the people employed here and continuing to live here in Alberta.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thanks, Mr. Chairman. We could go on and on on this. It's, as the minister I'm sure agrees, a fascinating topic for discussion and one that the Member for Edmonton-Ellerslie has said has been at the core of political debate in Alberta for more than 30 years.

My first question is a structural one about the operations of the government. Just sitting here, I made a note about the number of different departments and related organizations involved in what I would consider economic development. Of course, there's the Minister of Economic Development, the Minister of Innovation and Science. We have Aboriginal Affairs and Northern Development, the Northern Alberta Development Council, under the chairmanship of the Member for Peace River. There's Sustainable Resource Development, Community Development, which is responsible for the museums, which are some of the most important tourist draws, Agriculture, Food and Rural Development. Then there's a department like Learning, which is responsible for the universities, which are drivers of the high-tech industry in Alberta.

It strikes me that there are too many players here, that it's a very fragmented structure, and frankly there are a lot of government departments. There are more now than there have been in several years. Of course, the risk in that – I think, for example, of people in my constituency doing high-tech work at the University of Alberta, and they end up dealing with many different organizations. They might have the heritage medical foundation. They have the univer-

sity itself, the Department of Learning, and on and on it goes. I would be interested in hearing the minister's thoughts and his awareness of issues and solutions to the situation in which there are probably just under provincial jurisdiction 10 or a dozen significant players in economic development.

The Chair: The hon. Minister of Economic Development.

Mr. Norris: Thank you, Mr. Speaker. Before I address your question, I do want to touch on one thing you said that I agree wholeheartedly with: education bodies being huge economic drivers and the amount of economic activity that takes place at the University of Calgary, Mount Royal College, SAIT, which just got a new \$12 million aviation facility, the University of Alberta. Certainly all of these things are very, very important to the local economies, and it is something that we have to look more strongly at because as a knowledge-based economy grows, you're going to need those institutions to thrive. It's one of the cornerstones of any good economy, so I appreciate you identifying education. It's something that I think we both agree on.

I guess I'd take you back to 1993 and answer your question. At that point, we found ourselves with deficits on an annual basis and a debt of about some 22 billion dollars. Decisions were made at that point to say: we're going to get these departments focused, and we're going to get them focused in a way that they're going to drive their industries specific to their departments. Economic Development at that point had some 1,200 employees, a \$200 million budget, as I recall, and was pared down to focus on marketing: marketing Alberta industries, marketing the province, marketing tourism, and as you note, the tourism department was also wrapped up into Economic Development.

So the powers that be at that time identified that economic development is not a role of a government to intervene, it's not picking winners and losers, it's not giving loan guarantees, but it is a job to help industry market itself to the world. If you think about it, when you have a company, you're identifying your markets and you're looking to grow your business. When you want to step out and you get bigger, you look to where you can grow and you look to maybe where the government can assist you in that program. So I think that was the decision that was made at that point. Where we end up now is we have the departments that you referenced working solely on developing those industries. For instance, Sustainable Resource Development works hard with the forestry industry on their FMAs, how to make them better, what's good about them, what we can change.

Mr. Cardinal: About seven days a week.

Mr. Norris: And sometimes eight.

That's the role of the ministry. The Economic Development ministry then takes whatever information, strategic and other, that these departments feed in and works through our department to go and market that word, and we determine that that's the best way to do it. So if you will, compare it to a large company, say Ford for sake of example. You're going to have a department that's responsible for research and development, you're going to have a department of human resources, and you're going to have a marketing branch. We are deemed to be the marketing branch of the Alberta government in that sense of the word. So we work very closely with the Energy department for obvious reasons, Agriculture, and we go out and talk about what's going on there and what the advantages are of being in Alberta.

I don't see it as duplication in any way, shape, or form. I'm very

proud to say that the relationships we do have with the economic driving departments such as Energy, Sustainable Resources, Agriculture are very good ones, and we feed off each other rather than duplicate work, and that allows us to be a smaller department, use less resources, but get the message out in what we feel is a more effective way. So I guess in the old Tom Peters book, you know, we're sticking to our knitting. We do what we know, and we let them do what they know, and hopefully when we work together, the message gets out loud and clear.

I think that's really the response to your question that I would give. We are not trying to duplicate. As a matter of fact, we're trying to eliminate layers to continue to grow the economy.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I want to spend a little bit of time talking about the hotel tax now, Mr. Minister. In the early part of this month we saw a couple of interesting articles in the newspapers where you talked about in one case that was reported an additional levy on the hotel tax, but it seems like the main theme running through these articles was just dedicating the 5 percent provincial tax on hotel rooms now to marketing industry. I know that's something that the industry has been asking for for many years and certainly as long as I've been in this Legislature. So I would like to ask you how that's going. We didn't see it in the budget, so obviously you didn't get the green light this year. Do you think you're going to in the future? Can you talk about that tax relative to other jurisdictions in terms of how much they charge, what others do, and what you may be projecting as the impact of reduced travel with things like SARS happening and other kinds of risks in terms of distance travel these days. If you could comment on those items.

8:50

The Chair: Hon. minister.

Mr. Norris: Thank you, Mr. Chairman. Well, the first thing I would like to clarify: the additional tax that you were talking about came out of a comment that was made in Red Deer. That was never part of our program, nor is it my personal desire to do that. There is a hotel tax in Alberta. It's 5 percent, and it generates anywhere from \$45 million to \$55 million depending on the kind of year we have. That money goes into general revenues, which is then used for other programs.

We had the hon. Member from Edmonton-Glenora strike a committee, and he worked exceptionally hard. The hon. Member from West Yellowhead was on it. I'm looking around for others.

An Hon. Member: Did he work hard?

Mr. Norris: Very.

Anyway, the end result of the committee is that they came back from industry with recommendations, and one of the recommendations was to convert the hotel tax to a marketing levy. That 5 percent would then mean a sustainable amount of money that would go into tourism marketing, in around the \$45 million to \$50 million range. Now, why did we want to do that?

We have examined very carefully our two biggest competitors, British Columbia and Ontario. They have methodologies of doing this. British Columbia's method is part general revenue, part hotel tax. Ontario's is part general revenue, specific destination taxes – the city of Toronto, for sake of example. We wanted to have a very cohesive plan. What we found they've had happen in British Columbia – and I talk to my counterpart, the hon. minister of

competitiveness, industry, and tourism, on a regular basis. They have four tourism regions now. They have Whistler/Blackcomb, the city of Victoria, the city of Vancouver, and now the Okanagan Valley, and they are finding that they're getting an extremely fragmented tourism message. The message coming out of the Okanagan Valley is clearly different than that of Victoria, Vancouver very different from Whistler. So we eliminated that as an option.

What we came back with through the process of our government was to say that we would like to take the 5 percent hotel tax and phase it out and phase in a marketing levy, which the industry supported a hundred percent, and turn that over to them to market. What that would do is put them on par with British Columbia, which spends about \$50 million, and Ontario, which spends about \$60 million. Currently our spending was \$18 million a year, and with the additional funding that we are very grateful to have got, it's now \$25 million. I don't think the answer to problems is throwing money at it in any way, shape, or form, but in this particular instance, we're talking about marketing the province of Alberta in competition with British Columbia, Ontario, and to a lesser degree Saskatchewan and Manitoba.

So where we ended up was with an approved program all the way through our process – standing policy, cabinet, and caucus – subject to Treasury Board approval. Treasury Board came back and said – and I think rightly so this year – that our demand for infrastructure, our demand for schools, the ever, ever increasing demands on health care and education, which we hear about daily in this House, take precedence over this particular industry, but the \$7 million is a way of showing support for that industry, and we'll continue to try and make that program work. As I said, it's subject to Treasury Board approval.

Will we bring it forward again? I can't say at this time. We're going to consult with industry. I know the hon. Member for Edmonton-Glenora is going to strike his committee again at some point after session and go talk to industry and find out. It's not our way to go back to industry and say: this is what we're going to do; what do you think? So we're going to ask them, and we'll find out what they'd like us to do, and we'll take it from there.

With regard to the comment you made about some of the crises facing tourism, I don't know if you noticed today, but Toronto is now taking even more of a hit because of SARS. It's not so bad that people aren't coming into Toronto; now they're not allowed to book tourism opportunities on cruise ships and the like. A very, very strange situation.

So part of our campaign right now is going to be aimed at the Pacific Northwest. We're using some of the additional tourism dollars that we got to talk to our American cousins and say: "It's safe; it's secure. You can drive here. It's very simple. The Premier was unequivocal on his support during the conflict, and we are your friends, so come visit us this summer." You'll see those ads coming out very soon, and we hope to have a good effect from that.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. Two questions for the minister. One just comes out of his immediately preceding response and one from his response two questions ago. On your response just now, I just missed it. You referred to a committee being chaired by the Member for Edmonton-Glenora, who is the very capable chairman of several committees, and I didn't catch which committee it was, and if you could tell us the name of the committee and who's on it, that would be great. I just missed the detail.

My other question goes back to your reaction to my comments on the number of different departments and bodies involved in eco-

nomics development in Alberta and my concern that there could be unnecessary fragmentation or complexity there. You had indicated that you regarded Economic Development as the marketing branch for the Alberta economy or words to that effect, which is fine, which is good. But it leaves me with a question like this. And I see that the Minister of Energy is here. I don't know if he wants to jump in or not, but fundamentally and over and over – and there was another study released today which drives this home – Alberta is heavily, heavily reliant on the oil and gas industry. If we are to, as this study says, ensure that the tiger's roar doesn't fade, we need to continue to diversify beyond the oil and gas sector. Now, my question is: who is the lead manager, who is the lead minister, for that kind of process? Is it you in Economic Development? Is it the Minister of Energy? Who is it? I need to get some clarity here on that sort of issue. I want to know the point man.

Thanks.

Mr. Norris: Well, that's a pretty broad question, so I'll answer your first question. The committee I was referring to, chaired by the hon. Member for Edmonton-Glenora, is a tourism marketing committee and it was struck in September of 2001 specifically to review all aspects of this industry, our fourth largest, employing over 120,000 people and generating some \$5 billion in gross revenues, about \$650 million worth of taxation to the province of Alberta. That committee had – and I'm going by memory, but I'll get the exact committee structure for you – the hon. Member for Calgary-Bow, the hon. Member for Spruce Grove-Sturgeon-St. Albert, the hon. Member for Vermilion-Lloydminster, the hon. Member for St. Paul-Cold Lake, the hon. Member for Whitecourt-St. Anne, and last and certainly not least the hon. Member for West Yellowhead.

That committee toured for the summer, as I recall, and into the fall looking at all aspects of how we market tourism, how we respond to the demand for tourism, what we are doing to develop new tourism product, all aspects it was charged with doing, and came back with those recommendations. I believe that the committee wrapped up its work in December of 2001, so that puts us where we are now. We then took that information, put it into a ministerial report, worked it through the system, and put it in for the budget cycle of 2003-2004 and were successful in getting some additional funding, and we're very grateful for that.

So the committee now I understand – we've already talked about it – is going to be struck again to go back to industry and say: "This is what came out of our work. What do you think? What would you like to see us try? Where would you like us to take this? Should we go back to square one? If that's your desire, then that's what we'll do." That's where we're at on that one.

With regard to who's running the show, ultimately the Premier, who most Albertans seem to think does a remarkable job and keeps getting elected with bigger and bigger majorities. So if you're looking for a structural plan, what I referenced at the beginning of the night was our value-added program, and this was referenced in the throne speech. The value-added program is our department's responsibility. We're the umbrella, and under the umbrella feeds those eight or nine ministries. With regard to the development of particular industries, that clearly falls under the Minister of Energy or the hon. minister of sustainable development to work with those industries on a day-to-day basis with the experts in their department. But, again, I get back to the same role that we have: taking that strategic information and then marketing the various industries to the rest of the world. So I think it should be very clear. If it's not, I can give you a written answer.

9:00

The Chair: The hon. Member for Edmonton-Glenora.

Mr. Hutton: Thank you, Mr. Chairman. I have a couple of comments. Then I have a question for the minister.

First of all, a point of clarification to the hon. Member for Edmonton-Ellerslie: I did not make the cut; I was whacked. I believe that in the early days – I guess it would be '95-96 – the former hon. Member for Edmonton-Glenora submitted in this House a list of patronage appointments in the Department of Economic Development. I was on that list, and I was whacked. But he is no longer the hon. Member for Edmonton-Glenora; I am. So that is just a little point of clarification.

I spent many enjoyable years at the department of economic development and tourism, as it was when I was there. We did a lot of good things, I believe, but the lean, mean fighting machine that they have now and under great leadership – it's great to see some of my former colleagues up there. I think you're doing a fabulous job, Minister, out there promoting this province far and wide. The boss obviously knew what he was doing when he selected you.

I want to move to international offices.

An Hon. Member: Which one do you want to move to?

Mr. Hutton: Let me rephrase that. My question is related to the international offices, and I also want to add a comment to that. I think it's great that the minister has looked at locally engaged people, rather than setting up large, cumbersome offices, and actually finding people that we can inform about Alberta that know the marketplace.

When I was in tourism back in the '80s, we had an office in New York, and we had a tourism representative. I mean, in those days at the Statue of Liberty they'd say: "Don't be a baby, lady. Just be a lady, baby." Those were wild times in tourism. Is there any opportunity for the ministry to go back into that marketplace from an investment standpoint or look to use it as a listening post for Economic Development? That's my question.

Mr. Norris: I would like to thank the hon. member for his comments and inform him that his cheque is clearly in the mail. Thank you for that. It is an honour to work in this department. I appreciate your comments, hon. member.

I would reference the international offices this way. They play a very significant part in our diversification strategy. It's not good enough to produce some of the best goods in the world if nobody knows about it. What we have found through those international offices is the ability of the Alberta government to open doors, no more and no less. I think you hit the nail right on the head: they're very lean operations. Our Premier has directed that they be collocated with the Canadian embassies, which we found to be a remarkably good opportunity not only for savings in rent but to share strategic information with that level of government, and it works out extremely well. Where we see these offices going is identifying market opportunities and relaying back to those markets the opportunities coming from Alberta.

[Mr. Lougheed in the chair]

Obviously, trade and investment is a big part of how we grow our economy. We do need foreign dollars to come into Alberta and help develop some of our great resources, and they are coming at a remarkable pace. Most recently we were in Japan visiting with a Japanese petroleum company who has invested some 300 million dollars in Hangingstone in SAGD technology to get oil sands out. They were very proud to tell us that their program has worked. They're going to now invest some 300 million more dollars to go

from I think 5,000 barrels a day to 20,000 barrels a day on their program of economic self-sufficiency. That's a great thing that took place through the Department of Energy and through the international office in Tokyo. So they do play a very significant role.

What we do to keep them as strategic and lean as possible is we have a government of Alberta employee who has to have a minimum of five years of trade and investment experience and must speak the language if it's a country that is foreign to us. Then they go and employ one or two locally engaged people to work with them in that office. We found it's a very successful model. It's the one we use in Germany, in Mexico City, in Japan, et cetera. Some of the offices are a little bigger than the other offices for obvious reasons. Japan is one of our biggest markets, so we felt that we would need a bit more support staff. We're hoping that Germany and Mexico City will grow to that, but we didn't start them at that level.

I thank you for the question, because the international offices do play a very significant role in our continued efforts to get the Alberta advantage message out and promote this great province of ours. Thanks.

The Acting Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. It's my pleasure to stand to address the estimates of the Department of Economic Development, and I have a few comments and a few questions to direct to the minister.

One of the concerns that I've raised before – and I'm not the only one who raises the concern – has to do with the export of natural gas in its raw form and essentially the impact that that has on the petrochemical industry. I'm thinking particularly of the Celanese plant, which is just across the river from my constituency of Edmonton-Highlands. Many of my constituents are employed there. A number more had been employed there in previous years. Now, the policy has been changed with respect to the Alliance pipeline. Where previously the liquids, I believe, had to be extracted from the natural gas before it was exported – so what was exported was more or less pure ethane for heating purposes, and the chemicals useful for plants such as Celanese had to be extracted – that policy changed with the Alliance pipeline.

The other aspect of the Alliance pipeline that's troubling is that it exports natural gas at a very high rate from the province, so a number of years of proven reserves of natural gas in this province have declined precipitously. The last figures I saw were that we have in the order of nine years of proven natural gas reserves left in the province. Now, of course, that's offset by the rate of new discovery and so on. Maybe the minister can enlighten me on that. But particularly the concern is: what about industries for which natural gas is a key feedstock? What is the prospect for those industries? I would assume that those industries in particular have a tremendous value-added potential, and the decline of those industries ought to be of great concern not only to me, Mr. Chairman, but obviously to you and to others who have those industries located in or near their constituencies as well. That's really the concern. What's the future for the petrochemical industries in Alberta that are based on natural gas?

A second question that I'd like to have the minister address is the impact of rising electricity prices on small and medium-sized businesses. I know that when we do ask questions in question period, the minister is quick, when he gets a chance, to jump to his feet and enumerate all of the other advantages that exist in Alberta for business. I will acknowledge at the outset that there are some, in the hopes that the minister will concentrate on the aspect that I'd like to address, which is the price of energy and particularly electrical energy for small and medium-sized businesses.

I have here, Mr. Chairman, a report from the Canadian Federation of Independent Business, and it's called *Still in the Dark*. It's a look at the impact of electricity deregulation and pricing on Alberta's small and medium-sized businesses. Now, it's interesting. This report indicates that a majority of the companies who responded to the survey, slightly more than half, used less than 250,000 kilowatts per year. Only a small fraction, 2 percent, consumed more than a million kilowatt-hours. Interestingly, most of them used a regulated rate option, and the second greatest number used the fixed price contracts. Now, the dissatisfaction was very high in rural areas among firms responding: 28 percent were very dissatisfied, and 31 percent were somewhat dissatisfied. In urban areas it was a little better: 17 percent were very dissatisfied; 24 percent were somewhat dissatisfied. It found, for example, that the dissatisfaction was highest in central and southern Alberta, that it was lowest in Calgary. Dissatisfaction was persistent in all sectors, the highest being manufacturing, then wholesale, then agriculture, then construction, retail, and down to educational and social services.

9:10

According to the study rate increases were higher in at least 65 percent of the businesses. On the magnitude of cost increases, a majority, just about 50 percent, were 24 to 49 percent higher, 27 percent were 25 to 49 percent higher, 17 percent were 15 to 99 percent higher, and in 7 percent of the cases electricity costs were 100 percent more than they had been. So the small businesses, at least those responding to this survey, indicated a fairly high level of dissatisfaction with electricity prices and felt that it was a significant impact on their costs.

Has the minister identified the extent to which electricity prices are hampering the competitiveness of small business in this province relative to other jurisdictions that have retained a regulated model? I know that this minister is not responsible for electricity, but I am interested to know whether or not his department receives complaints, concerns, whether it monitors that situation, whether it's done any analysis of the impact on small business, and whether it has any programs to offset the impact of those increases.

With that, Mr. Chairman, I'll take my seat and await the minister's response.

The Acting Chair: The hon. Minister of Economic Development.

Mr. Norris: Thank you very much, Mr. Chairman. I would have expected shorter questions from the hon. member, but I'll try and muddle through that dissertation and give some answers. It really did tend to ramble, so I found myself engaged in other thought processes. I'll try and do as well as I can.

I think his first topic of discussion was natural gas and the export of natural gas, if I'm not mistaken. I guess I'd have to say at the outset, Mr. Chairman, that like everything this government does, it's market driven. We're not going to intervene. We're not going to set up regulations. We're not going to make rules for producers in order to either hamper or grow that industry. That is exactly the same for the natural gas industry. What I think the hon. member is alluding to is that he believes the Alliance pipeline was put in with the blessing of the Alberta government to export natural gas with valuable liquids through to the Midwest of the United States. What the hon. member is not realizing is that a lot of that natural gas comes from British Columbia, where it's not our jurisdiction to do anything anyway, and travels through Alberta in the Alliance pipeline into the Midwest.

But having said that, this government would never, ever mandate to the producers where they have to sell their goods, whether it's

natural gas, whether it's agriculture, whether it's forestry. It makes no difference what the industry is. That's not a principle we operate on. What we do operate on is setting up the best business environment for those operators, and they're some of the best in the world. The hon. member has alluded to the riding of Clover Bar-Fort Saskatchewan. You're right: they are some of the best in the world. They are working in that area because of some foresight. The Hardisty hub comes to mind, where a lot of the natural gas and oil that's extracted from this province ends up, and then it's a market-driven cost. Now, is it cheaper in the Louisiana gulf? Yes, it is. They don't have the transportation costs. It's a spot price commodity. It goes cheaper. But in Alberta we've taken away the provincial sales tax. We have a low, broad-based corporate tax. We have low income taxes, a highly skilled workforce so that they choose to operate in Fort Saskatchewan and Joffre and the various places around the province on a market-driven model, and that's what we're going to support.

Now, how are we going to ensure that those industries keep growing? That ties into the hon. Member for Edmonton-Glenora's question: our international markets. Currently we are producing by-products from natural gas that are shipped by the trainload to Taiwan to be processed into the final commodity, which is clothing, and then shipped back in many cases right to Alberta. So our value-added strategy is saying: why are you doing that? Why would we not convert those polymers and chemicals into the products that we can make here? Plastic bottles come to mind. We want to identify why that's happening. It's not for the government of Alberta to go to the producer of the commodity or the end user and say: this is how you will do it. That's not what we're talking about. We're saying: why aren't you doing it? We feel that that's a better model.

The natural gas liquids that you are talking about are sitting in huge abundance in Alaska, and our understanding is that that will be developed when it's economically feasible. Now, that means that the \$10 billion or \$12 billion that it costs to build that pipeline, which will come right into the Hardisty hub, northeast of Alberta here, will happen, and it'll happen in our lifetime, and that is where we believe the sustainability of that industry will come from. Also from the tar sands. There is a massive amount of by-product from that mining extraction process, and there's a good possibility to use the liquids that are produced there in the production that you're talking about. So there are a number of opportunities, but not one of them will be mandated by the provincial government as a way you must operate. That's the simple answer to your question.

I think your second question went on to electricity deregulation, and I want to take you back to a preregulated model to answer this question. The overwhelming evidence was that with a regulated model and a fixed profit, et cetera, there was no new generation coming onstream. There was some expansion to existing plants, but the real need for Alberta, which ranged from about 7,500 kilowatts to 9,000 at that time, was not being met. As a matter of fact, like you're seeing in Ontario and other provinces, there were chances of brownouts and, indeed, blackouts. So the government recognized that to get new power generation, there have to be incentives, and since the deregulation has taken place, we've see some 2,200 megawatts come onstream.

The really exciting part of this – and I'm sure the hon. Member for Edmonton-Highlands will appreciate this, given his philosophical bent – is that a lot of it is green. A lot of it is not done from extracting carbon-based resources. It's done through wind. It's done through biomass. It's done through the use of wood chips. People are starting to say that if there's an economic incentive for us to get involved in this business, which there is because they can now plug into the grid, which they couldn't do on a regulated model, they

can produce enough energy to support what they're doing and sell power into the grid. The absolute best example of this – and I know the hon. member will want to go out and tour this with me because of his love for agriculture – is a pig farm in the Viking area. That farmer has gone with worldwide technologies and is now trapping all his pig manure and putting it into a vat, heating it up. Methane rises out of that. It's trapped in a bubble. He fires a generator, powers up all his needs for his farm, and puts enough back into the grid to get \$300,000 into his jeans. So he's gone from a net user to a net contributor, and he's paying for the thing in four years. That all happened because of deregulation.

So has it been as wonderful as it could've been? Probably not. When you say statistics in business like 28 to 31 percent dissatisfied, to me, when I had my own business, that's standard. You're going to have five guys that really like what you're doing, you're going to have two or three that are okay with it, and you're going to have two that don't. That's just standard. What we have to do is get to the next level. When the deferral accounts come off in December – and I know you know all about this because you talk about them routinely – we hope that natural gas, which is a world commodity price which is used to drive a lot of our power generation, comes down, and it will. Those things combined will see power bills get lower.

But what we cannot forget that's happened in the meantime is that the new generation – and I know the Minister of Energy will know more about this than I'll ever forget – has allowed Alberta to consider when all our needs are met and the costs come down maybe being a net exporter like British Columbia, Manitoba, and Quebec, who make several billions of dollars a year exporting their power because they've gotten to that point. It's clean power. It's hydro-power. Alberta is not as blessed with the hydropower that we'd like, but we are dealing with it. We're looking at new ways to do it.

[Mr. Tannas in the chair]

9:20

The final comment I'd like to make to the hon. member – and I know he'll love this – is that the Alberta government just signed an agreement that now, I believe, and I could stand to be corrected, 90 percent of the power that the Alberta government uses – and we are a huge power consumer, as you can imagine, with all the buildings around the province – is now produced by green. That's something that I don't think would have happened under a regulated model.

The Chair: The hon. Member for West Yellowhead.

Mr. Strang: Thank you, Mr. Chairman. I'd like to pose a few questions to the hon. Minister of Economic Development. First of all, I must compliment him on his passion for the way he carries out his business in Economic Development.

I guess the one thing I'm wondering about is your goal 3. Then if you look at the different impact measures that you're having, in light of what's transpiring now with the SARS episode and the increase in our tourism dollars of the \$7 million, how do you profess that we're going to uphold some of these numbers? I guess the one that I look at is on page 116, 3.2, where we have the aspect of Europe, Asia-Pacific, United States. I think we would more or less concentrate on that because what's transpiring now with a lot of wonderment, especially in one of my areas – namely, the municipality of Jasper – is they're really concerned with the aspect of what's going to transpire this summer. Of course, you know, they've really worked hard on the British market to bring them over because they've proved to the British that they can ski in Jasper cheaper than

they can go to the Alps, and the experience is just as great. So I'm just wondering how he's going to change those factors or how those factors in his performance measures are going to work out in light of what's transpired in the world today.

I guess the other thing that I wanted to talk about was the added value, especially in the lumber business and what we're doing now with the softwood lumber embargo that we have with our neighbours to the south. I'm just wondering what aspects he's looking at within his department to make sure that we're looking at some niche markets that we can review and try to help some of these other companies now that are trying to get into new products to ship down to the United States or to other markets. I guess what I really look at is: how are you working with the secondary manufacturers? As you realize, for anything that they buy, they have to pay the full price from the primary manufacturers to make any commodities that they are looking at to enhance or value-add to move into other places within Canada or within the United States or abroad.

So if you could answer those few questions, I'd certainly appreciate it. Thank you.

The Chair: The hon. minister.

Mr. Norris: Well, thank you. I would like to thank the Member for West Yellowhead for his questions and also his endless and enduring passion for not only tourism but for coal. Recognizing that his riding is in the heart of both the major parts of the coal industry and tourism in Alberta, he has his hands full and does a remarkable job.

What we are trying to do with the added dollars that were granted to us in the last budget go-round is to identify the markets that we have been building on. You rightly determined that the United Kingdom is one of them. We also know Germany is a huge destination for overseas visitors, as is Japan. Our message quite simply is that Alberta hasn't changed. The experience you'll get is a friendly one, a hospitable one, a very, very value-conscious one, and experiences that you will not find in any other part of the world.

When we talk about what's happening in the world right now, I want to make one thing abundantly clear: Alberta is not in a vacuum as to what's happening with tourism. SARS is a worldwide epidemic. The campaign on terrorism is worldwide. So it's not limited to Alberta. While I sympathize greatly with the tourism operators in Alberta – and we are doing everything we can to mitigate these situations – it needs to be said that it's not Alberta alone that will suffer.

So have we in response to that taken our numbers down, taken our goals down? No, we haven't, and we haven't done it for a couple of reasons. I know that the hon. Member for West Yellowhead is a big fan of the Olympics, like me, and I know that he probably gets as frustrated as I do when athletes say: well, we'd like to finish in the top 15. Well, that's to me not the way to do it. Either you're going to get a medal or don't show up. So we acknowledge that in Alberta our targets are very high – they're remarkably high – but we know that we have the best tourism operators in Canada, and we know that we've got a program that we believe will work. So we're not going to adjust down. We're going to keep the goal high, recognizing that there are many forces in the world right now that may affect that.

So our overall program quite simply will be to keep going straight ahead. We've now taken some money out of the budget that was not allocated previously for our Pacific northwest campaign. We're hoping to leverage that with the Canadian tourism council and industry to get a significant amount of money to target that to help offset some of the cancellation of the tours that are happening but recognizing that that's not a problem specific to Alberta.

The other part of the equation, too, is that we continue to diversify

our market to where we're going. We have campaigns going now in Illinois, in the Houston area, and in Los Angeles. We found that while they might not have direct flights into Alberta – in most cases they do – those are really good markets. Minnesota is another one, and that was part of our trip recently, to talk to some of the airlines and say: do you know that if you have a direct flight from Minnesota to Edmonton, for sake of example, it will more than likely be sold out on a regular basis, three times a week? We're hoping that they'll take heed of that and bring in new tourists so that while one market, who are international travelers, might be decreasing, hopefully the rubber traffic and the direct flight markets will increase.

Do I have the answer as to whether that's going to mitigate the loss? No, I don't. My gut feeling tells me that we're going to have to work very hard, and I know our department is sitting here listening with much anticipation because we are going to do it as a team. With the industry in Alberta I think we're going to get over the hump, but we are in for tough sledding. There's no doubt about it.

With the response to your value-added question regarding lumber, the hon. minister of intergovernmental affairs is obviously the lead on that file. I know that's a more Canadian issue because of all the lumber that is produced. I believe 67 percent of it comes from Quebec and British Columbia, and Alberta accounts for some 12 percent of the national total. So as go Ontario, Quebec, and British Columbia, so goes Alberta. That's the common wisdom.

Could we have a made-in-Alberta strategy? That doesn't work in industry-specific areas such as forestry, so we're hopeful that the issue will be resolved by the federal government, who is dealing with this file. It's gone on longer than anybody would want. There has been a lot of pain in the Alberta industry. We know that, and part of the reason we're going down to Washington at the end of this week is to address those issues with the people there. We're trying to get meetings with, I believe, the secretary of industry to talk about this from an Alberta perspective and maybe let them know that these tariffs are not only not right, but they're hurting an industry when their belief system is incorrect. They believe they have to do this because they think the Alberta government and others are unduly subsidizing that industry. Well, I think the hon. Member for West Yellowhead and others who are involved in the forestry industry know that's not true. It's a very fair commodity price, but they have targeted that, and I think that in some responses to antiquated mills in the North Carolina/South Carolina region they don't want to upgrade. As a result, they're trying to protect that industry, which is wrong, but it goes through a process with the World Trade Organization, and it's very lengthy.

What we are doing, however – and I'm very proud of this – through Forintek, which is a federal/provincial and industry-driven body that operates out of Vancouver, with an office here in Edmonton, is looking at new ways of taking wood products and taking them to the next level of value-added so that products that used to be maybe waste would now be good for particle board or any number of things, oriented strand board. We're doing that through a granting mechanism through our department, through the department of western diversification through the federal government, and industry. They're doing some remarkable things, and they're becoming industry leaders in saying: you don't need to do this with wood specifically; you can treat it this way or that way. And it's working very well.

The other thing that I'd like to point out – and, again, it ties back to our international offices – is that we are trying to identify new marketplaces, like China, for sake of example, and Japan, who typically do not use stick-built homes but are now looking more to that. As the market economy of their country explodes, they're

looking for housing. The traditional cement and cinder block won't do, so they're looking at other ways, and they're now saying: well, maybe wood is one way to go. If we can target that market and get out there first, which I think we're doing a fairly good job of through our offices, and there does become that demand, then you diversify away from the United States and you get those new markets and you start growing that business. So that's really how we're dealing with that situation, hon. member.

9:30

Ms Carlson: I would like to remind the Minister of Economic Development that it's been a Liberal policy for at least a decade that the hotel tax should be dedicated marketing dollars for the industry, and we've always supported that. So we would be very supportive of that coming forward in some future budget, and we're looking forward to having seen that happen this time.

I just want to go back to the regional development strategy for a moment of two. You have generally talked about it and talked around it a little bit, but we see that in your business plan you talk about that as a focus. I would like to know how the value-added program fits into this. Do you actually have a copy of the regional development strategy, or is it just something within the department? Are there regional goals and priorities, and is there an action plan? So if you could just expand on that a bit.

Mr. Norris: Well, at the outset, Mr. Chairman, I would like to thank the hon. member in advance for her, no doubt, positive comments when we are successful with the hotel tax. It's now on record, so I can only assume that it'll be a joyous day for all Albertans when that takes place, and thank you for that.

With regard to the regional development strategy, yes, that is part of our business plan, and what we look at is growing the regions with the particular areas. I referred to some of the groups that are ongoing. At this point there are some seven that have now gone through the process, which is forming a corporation, defining what their parameters will be, submitting to us a business plan, and then signing on with us in the form of a grant that is used to implement their business plan. In the case of the international region, which is Leduc, Nisku, Millet, et cetera, their business plan called for getting a world-class web site that accesses every particular piece of property and opportunity there. We were in Nisku last week to launch it. It's a brilliant opportunity, and it works very well.

So each region has different opportunities and goals, but they set them out in their business plans in conjunction with our department. We don't go to CAEP, the central Alberta partnership, for sake of example, and say: this is what you must do in the Red Deer and central Alberta area. They come to us with a business plan and say, "Does this fit in with the overall strategy?" and we say yea or nay. As I said, to date there are a number of them. There's Grizzly in northeast Alberta. There's GROWTH in north-central Alberta, PREDA in the Peace River area. There's a new one forming in the far northwest part of Alberta called REDI. Palliser in southern Alberta. On and on it goes.

There is a strategy to get the province sectorized into marketable regions, and once we accomplish that, then the marketing of those regions becomes very simple. We say: "What are you looking for? What is it? Lots of sunshine for growing? Is it access to water? Is it rail links? Is it close to the Canamex corridor? What are your needs? What are your parameters? What kind of property are you looking for? Is it large, small, et cetera?" And that's the whole process, but it's not so much government driven as it is government assisted with the regions.

Working with the municipalities has been remarkable. At the

outset of this program there was a lot of fierce rivalry, as there is, for sake of example, between Edmonton-Calgary over sports, et cetera, and what we've seen happen over the period of time is that these towns and villages are putting away those rivalries and saying: "Yeah, we agree. It's better to market this region, so that's what we're doing." Our eventual goal is to have the whole province sectorized into regions that they determine, not us.

The most unique one that we signed on recently was Wetaskiwin-Millet, and it's unique because the riding is Wetaskiwin-Camrose. As you would imagine then, you would think the economic region would be Wetaskiwin-Camrose, but it was determined by those people, not my department, that Wetaskiwin had more in common with Millet, and that's the region. We let them determine it. We let them sign it on. It's an ongoing thing. It's a business plan that's reviewed, and it's working.

The Chair: The hon. Member for West Yellowhead.

Mr. Strang: Thank you, Mr. Chairman. I'd like to just question the minister on the aspect of coal. As he realizes, the coal industry in Alberta has changed dramatically, and as we realize now, we only have a couple of players. Basically, in the thermal coal we have Luscar Ltd. and Sherritt International, and of course the Ontario teachers' pension plan is looking at the aspect of thermal coal. What transpired in my region just recently is in the neighbourhood of 495 people being laid off before the first week of May, and I'm just wondering what his department is doing about looking at markets in the area. I realize that we have strong competition from China now.

Then on the metallurgical side, of course, we've got new players there too, and the big thing we're looking at now is with Cominco Teck as the operating company, and then we have the aspect of Fording Coal/Canada Trust holding the rights. I'm just wondering what we're doing with these corporations to sort of overall look at trying to merchandise their products with the different international offices we have now in the different areas. As you realize, it's certainly helped, especially in West Yellowhead, but I know that my colleague from Livingstone-Macleod has people in the Crowsnest Pass area that have been hit quite hard. So I'm just wondering how we're working that type of a mechanism so that we can sort of give an upper hand to them to try and look at helping these companies merchandise and possibly open some doors so that we're able to merchandise these two types of coal.

The other thing, too, is that we're working with Grande Cache Coal Company in Grande Cache to reopen the old Smoky River Coal mine there, and I'm just wondering if we've done any preliminary work there on the aspect of working with them in looking at metallurgical coal. Then that would be the only one now in Alberta that would be able to be in operation. As you realize, the other consortium of Fording Coal/Canada Trust decided to shelve the Cheviot project for now, and basically they've stated that it's not if Cheviot is going to go; it's when. So basically what we're looking at is only one metallurgical coal operation that can operate in our province. So if you could give me some insight on what we're doing in that line, I'd greatly appreciate it.

Thank you, sir.

Mr. Norris: Well, I guess I would at the outset say to the hon. member that his premise that the coal market has changed is indeed correct, and it comes with a lot of challenges and a lot of heartache. Quite frankly, there's a changing industry, and there are people that are not working in the industry where they used to work, and that's of grave concern not only to this department but this government as whole. As you know, the target of full employment is really what

we're looking for in any industry, and the sad reality is that in some industries you can't find labour and in other industries it's changing dramatically, and this happens to be one of them.

At the outset a lot of our market was driven by requirements overseas. Certainly, Japan was a huge user. Two things have happened to that. Obviously, Japan's economy has suffered immeasurably over the last few years – whether they're going to get it back or not is anyone's guess – and we were undercut by Australian markets, who developed their markets and went and targeted our clients, and because of the cost of shipping and the closeness and all those things, we lost out in that marketplace. We do hang in there because we still have some of the best meth coal going, but it is a challenge; there's no doubt about it.

I guess what I'd like to direct your attention to, in our efforts to deal with this, would be under our value-added strategy to look at clean coal. I think the market has changed remarkably. If we're not supplying the mills and the coking and the producers with the coal, what are we going to do with it? Well, as the hon. Member for West Yellowhead knows better than I ever will, the supply of coal in Alberta is some 700 years based on current market demand, and we are fortunate to power a lot of our electricity through coal. So that demand is going to stay strong, but that's for a specific kind of coal. I think what we have to look at as the Alberta government – I know the hon. Minister of Innovation and Science has put some money into this, as has ASRA and AERI – is to get to a stage where we do have clean coal, where we get to a technology where it is acceptable to talk about coal as a source of efficient, Kyoto-friendly power. Our department now, under our value-added strategy, is working with the Minister of Innovation and Science to get that process sped up. I believe that is going to be one solution. It's not going to go away. That resource is still under our feet. It's still going to be required for the generations out at Wabamun and Sheerness and Keephills, et cetera, but you're talking about a more global situation, and it has to be dealt with with the reality that the global marketplace for coal is not that great right now, and what do we do about it?

9:40

As I said, I think clean coal is one solution, and I know that our department, through a man you've worked with an awful lot, is looking at other markets and trying to increase our penetration back into those markets. But as I said, if it's competing with Australia or China, which is coming on great gangs and the cost of transportation and the distance of transportation is that much less, we have a problem. One bright spot in that, though, of course is the port at Prince Rupert. We are now doing some work with the government of British Columbia and the federal government to say, "Listen; that's one of the last deepwater ports on the west coast, and it's totally underutilized." It's completely underutilized, and the Alberta government has a good stake in seeing that utilized more so that we can cut shipping time and costs down, and maybe that's part of the solution as well.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thanks, Mr. Chairman. I need to first of all respond to some of the minister's comments on electricity deregulation. It's fundamental to the economic well-being of this province, to our economic development. Alberta's low electricity prices used to be trumpeted, in fact until 1999, I think, or even 2000, by the Department of Economic Development as a reason for businesses to locate in this province. We have lost that advantage. The minister has cited some examples of benefits from electricity deregulation, but I just need to challenge his history before I move on to my question.

Alberta developed a fabulous supply of power generation under a regulated system through the '70s, when annual demand for electricity was rising at 10 percent a year, double what we've seen in the last few years. A regulated system responded very effectively, ensured adequate supply and competitive price. We had an entire power generation and distribution system that worked extraordinarily well, was profitable for the utility companies, low cost, high reliability under the regulated system. There were problems with deregulation. There are problems with deregulation. I would argue vigorously and I'm sure that the minister would argue back vigorously that the costs of deregulation have far outstripped the benefits. Our own calculations suggest that at least \$5 billion has been lost to Alberta consumers through far higher power costs because of deregulation. Check your history. There were very good things happening under regulation. My strong suspicion is that improving the regulated system would have been far preferable than what has happened.

My question to the minister is not on electricity however, but it is on related sorts of things. It's on the theme that I started at the beginning, which is responsibility and the lead players, the lead ministers for different areas. I am referring again to a report that I think should be mandatory reading for every MLA, the one released today by TD Economics. Lots of good news in it, absolutely. But there are warning signs in it. One warning sign here, page 19: "Shortages of natural gas and ethane pose a major challenge to the Corridor's recently-burgeoning petrochemical and refining industries, as well as related-services businesses." My first question to the minister is: among all the different ministers in this government, including the Premier, who is the minister responsible for the Public Affairs Bureau – but let's not pass the buck to the Premier – who in the government is responsible for watching in the long term on behalf of the welfare of all Albertans the supply of feedstock for the petrochemical industry? Is it an Economic Development issue, is it an Energy minister's issue, or somebody else's?

My second question is on the same theme. I refer to the same report, this time page 24, and I'm going to quote a couple of paragraphs.

The province's high productivity performance has been a major driver of living standards in recent years. But, a closer look reveals that it rests on a shaky foundation. Specifically, if the highly-efficient oil and gas sector is stripped away, average productivity in Alberta is only slightly higher than in other Canadian jurisdictions and below levels recorded in the United States.

The same kind of question again, and all I'm trying to do from an organizational perspective is make sure that the tail is pinned on the right donkey here. You like metaphors, Mr. Minister. So who in the government is, if not leading the charge, at least minding the issue of productivity? Is it Economic Development? Is it somebody else? I want to know that somebody over there goes to bed at night thinking: I'm the lead person with that problem, and I better focus on it.

Mr. Norris: Well, you know, when you talk about pinning the tail on the donkey and you talk about bloating and all these kinds of things, I'm going to get hurt feelings here. I'm not sure where you're going with this, but, you know, where's the love? What's the deal here? You had, like the hon. Member for Edmonton-Highlands, a rambling bunch of comments, so I'll try and pick through what I thought I heard you say and answer the questions as best I can.

Electricity. Your comment was that you would disagree with my premise, and your premise was that under a regulated model we would be better off. Well, we're not going to have that discussion because we're not under a regulated model anymore, and we're not

going back to it. As Minister of Economic Development one of the joys that I have on a daily basis is seeing the untold success stories of Alberta, and I always ask the question when people say that, and I did when I had my own business: if it wasn't here, where would you be? Why have 500,000 Canadians since 1993 chosen to make Alberta their home? Why has our small business rate and our big business rate risen faster than anywhere else in Canada? I'm not going to go on because you've heard me do this before, but you have to ask yourself: fundamentally, why are people choosing this jurisdiction?

Now, is electricity one part of that? Sure it is. Nobody would deny it. But does it put Albertans and Alberta companies at an unfair disadvantage the way it is now? No, it doesn't, because you're not factoring in having no provincial sales tax. You never factor in the fact that we have the lowest capital gains tax, lowest corporate taxes, and lowest payroll taxes. So you add those things up. I talk to industry on a daily basis. I travel around and I ask them, and they say: boy, are you guys in Alberta getting it right. Are we getting everything right? No. Who does? I go home every night and I'm told how much I get wrong. That's just the way it is, but that's my wife, and that's a different story.

Anyway, the bottom line is when you analyze things in this context, when you pick out one piece of it and say: what about this? Yeah, you're right. Has it changed? Sure it's changed. Has the Alberta advantage been diminished by it? I would say no. I would argue that it hasn't, and I will undertake to give you statistical data that backs up what I'm saying because I see it on a daily basis.

But I'd also ask you, hon. Member for Edmonton-Riverview, who I presume owns a house there, and Edmonton-Ellerslie and Edmonton-Centre, have you seen your property value go up? Have you seen your wages go up? Well, we've all changed jobs recently so that might not . . . All the indicators that we look at that nobody ever talks about. You're building a life for yourself here in Alberta that's better than anywhere else in Canada. Are there concerns? Yes. We've never denied it. Has the Minister of Energy ever said that it's been a smooth road? No. I think his term is that there are midcourse corrections. But at the end of the day I keep asking myself when I hear these things: why are people coming here if it's so bad? So I'll leave you with that comment.

With regard to the lead player on who's watching the store, I think you said, or watching the future, I don't think you understand the process of this government, so I'm going to try and share that with you. The process of this government is team, and I'm not going to be aggressive or abusive and say there's 74 of us and seven over there. We don't operate with me saying: "I'm in charge of this, so nobody else look at it. I'm in charge of signage, so, Minister of Transportation, don't come looking at it." We don't do it that way. That's why I was trying to explain that under our overall structure in Economic Development we touch all departments because, really, they all have something to do with it.

9:50

Who's the lead on looking after feedstock? Great question. If you want me to say that I am, I will, but I know that our department works on a daily, if not hourly, basis with the Minister of Energy's department to ascertain where things are going. I know that the Minister of Energy works with the Minister of Finance to predict where the prices are going. I know that Sustainable Resources works with Environment to find out our policy. It's a question, hon. member, where I could make up an answer and say, "Well, he's Minister of Transportation responsible for roads; the Minister of Sustainable Resources is responsible for forests," but that's not accurate. But it's also not accurate to say that we don't work

together. If you're worried about feedstock, I can tell you that there are at least three departments that work on it. If you wanted to point to a lead department, you couldn't, but that's not a bad thing. That just says that our departments are talking to each other.

On the other comment that you made, about the TD Waterhouse report that came out today, I would respectfully disagree. You said that it was good news. I read the report. I thought it was absolutely great news on so many different levels. What it did do was reaffirm that the class of '93, which deserves our respect, and Premier Klein went on the right course and created a business environment that's second to none in Canada, and the growth of that corridor that they were referring to is mirrored all over all Alberta. There's no denying it.

Now, what it did point out is that if you were a business owner and you had a consultant come in and say, "Where are you going 10, 20, 30, and 50 years down the road?" these are some things you would look at. Your labour force is getting old. Well, fine; I'll look at ways to address that. And we have. We've increased spaces in SAIT and NAIT. We're looking at increasing spaces in Grant MacEwan. I know the hon. Minister of Learning is working on programs with apprenticeships. We're dealing with that, but you have to identify the concern before you can find the solution. Otherwise, it doesn't work.

So what I think I would comment to you is that the TD report confirmed what we thought was right and pointed out where we might get better. That's not a bad thing. What we have to do with that report, if we take it under advisement – there are a number of reports. The Pembina Institute comes out with a report every other week lately, so we could factor those ones in. What do we do with them? Do we listen to everybody, or do we stay the course? I think as a government we're going to stay the course because we're on the right track.

The Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. This question is one that I would like answered in writing. Then I'm hoping that the minister will agree to accept the rest of the questions we didn't get to in writing, and after putting this on the record, we'll call for the question.

This one has to do with the business plan again where the department talks about supporting

Alberta companies pursuing capital projects financed by International Financial Institutions (IFIs) by promoting an awareness of Alberta within [these] IFIs, providing market intelligence on IFI opportunities, and building . . . awareness of IFIs' role in investment and trade.

We'd like to know those IFIs you're dealing with – there must be a list that you're targeting specifically – and the strategies you're using to promote them to Albertans and also any support that you're supplying to the companies in terms of coaching them on proposals or whatever you might be doing. If you could give us that information and why you chose that route instead of taking a look at developing a local venture capital market. If we could get that. Then I've got some other questions we didn't get to, to be answered in writing.

I would call for the question.

The Chair: The question has been called. After considering the business plan and proposed estimates for the Department of Economic Development for the fiscal year ending March 31, 2004, are you ready for the vote?

Hon. Members: Agreed.

Agreed to:

Operating Expense \$54,934,000

The Chair: Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Chairman. I would move that the committee now rise and report the estimates of Economic Development and beg leave to sit again at a later date.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2004, for the following department.

Economic Development: operating expense, \$54,934,000.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? Carried.

head: **Government Bills and Orders**

head: Second Reading

Bill 18

Energy Statutes Amendment Act, 2003

[Adjourned debate April 16: Ms Blakeman]

The Deputy Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much. I'm glad I was able to be here to continue debate on second reading of Bill 18, the Energy Statutes Amendment Act, 2003. I have a number of hesitations with this act, and I'm unsure if I can support this in second reading, in which we're looking at the principle of the bill, because there seems to be a number of things that are being ventured here without clarity. So I'm looking forward to the debate in Committee of the Whole because I am hoping that there would be some additional explanation that can be provided. I have gone back and read the introductory remarks from the sponsoring member and am looking forward to additional background.

Essentially what I see here is additional power being given to the minister, and I'm a little cautious about that because it's around energy statutes and, based on experience with Bill 19 and Bill 3, that hasn't been a particularly happy experience, I think, for people in Alberta. So I'm cautious about more power and more regulatory power being placed in the hands of the minister.

Part of what I'm sensing from this, but it isn't so much spelled out in it – and I didn't hear it from the introductory comments from the sponsoring member – is that this is about some uncertainty or trying

to create some uncertainty without actually doing it around coal bed methane. There's too much being left behind the usual closed doors. "Trust us, and we'll do everything behind closed doors, and it'll all work out." I don't have a lot of reason to trust the government.

So I've got a couple of questions. How exactly is it anticipated that this act will improve how mines and minerals royalties are collected? I'm interested in how the government views that.

We also see a number of amendments, particularly sections 38 and 39 of the Mines and Minerals Act, that provide for changes to the calculation of royalty rates, but it's not clear how these changes will improve the royalty regime, and of course that's really the royalty regime that benefits all Albertans.

10:00

Now, as everyone here knows, I am an avid reader of the Auditor General's report and in fact keep a second copy underneath my desk for handy reference. The Auditor General has made a number of recommendations with respect to the royalty reduction programs that are offered by the Department of Energy. In particular, he is claiming that the Department of Energy does not disclose the costs of these programs. So another of my questions to be answered is: how will Albertans be able to determine if the royalty calculation section proposed in this act is fair? How do we know it's fair before we support the bill? I want to know that it's Albertans that are really going to be gaining from the changes that are being proposed here. I'll come back to the coal bed methane later.

Why do I see the minister being given the power to determine the application of payments? Under the current Mines and Minerals Act the order in which the money is received from the Crown will be applied. The current system provides clarity and fairness for all of the stakeholders, but that same clarity and fairness are not carried forward into the proposed section 11, so it is making it difficult for stakeholders to plan and to budget accordingly if the order of payments is left to the minister's discretion.

Now the coal bed methane. Why is coal bed methane being included in the Mines and Minerals Act when the department, as far as I've seen – I've seen no press releases; I've seen no reports; I've seen no traveling MLA reviews – has not completed a plan for coal bed methane? Now, this is new. This is not something that we have a long history with. We have some examples that we can look to in the States. We know that there are a number of problems around coal bed methane. We know that there are issues around the high density that's required, the number of wells that are required in a small land mass to draw this up. There are questions about water use: how much water is used, what's done with the water that comes out, how much water is going to come out and whether it's saline water or fresh water, how to make sure that the two kinds of water are not mixing in the aquifers. There is a whole issue around water and coal bed methane and long periods of flaring that can precede the commercial capture of the methane gas. So there are a number of issues here around coal bed methane that are new issues, if I can call them that.

I haven't seen a plan from the government on how they anticipate dealing with any of this. Therefore, why is it being included in this act when we don't have a plan anywhere else? This doesn't make sense to me. I think we need to see what's being anticipated here or what the plan is before we put it into legislation like this. I would like to see an action plan from the government around this new technology before it's incorporated into legislation in basically a piecemeal fashion, essentially ad hoc, a little bit here, a little bit there. I'm not seeing an overall approach to this, and it needs an overall approach.

I guess that having said all of that, the answer is that I'm not

willing to support this act in principle because there are too many questions outstanding. Now, obviously, with the overwhelming majority the government is going to pass this through second reading, so I'll just be sensible and say that I want to hear the answers to these questions when in fact we come back to revisit this bill in Committee of the Whole, when there's more of an opportunity for a give-and-take and some longer explanations or repeated explanations from the mover of the bill.

So those are my concerns on the record around this bill. I am not willing to support it, and I look forward to further answers being supplied by members of the government. Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. Happy to have an opportunity to add my comments on Bill 18, the Energy Statutes Amendment Act, 2003, at second reading. I, too, read what the sponsor of this bill had to say and read the bill, took a look at it, and decided that this is exactly the kind of bill that I most detest seeing in this Legislature and one that tends to have me hold this government in less than high regard. It's another one of these bills that slides in as kind of a package deal where the government is positioning themselves to take a power grab, where we're going to see a lot more regulations made behind closed doors, where the sponsor of the bill can say: "Oh, you know, it's just minor. There are just a few little things, legislative clarity, effective rules, and enhancing collection practices." That sounds very nice, but in fact that isn't what's going to happen here when you scratch below the surface. So far we haven't seen any of our questions answered, so there's absolutely no way that I can support this in principle, particularly around the coal bed methane process that's now being included in here.

I will absolutely support any coal bed methane recovery process that is environmentally friendly, that uses state-of-the-art techniques, and that is subject to a reasonable taxation process.

Ms Blakeman: How would you know that based on this bill?

Ms Carlson: We would never know that based on this bill. That's very true, Mr. Speaker. Those are the kinds of questions that we need answered.

This bill is premature when it comes to coal bed methane. We know that there are a couple of test cases happening now in the Minister of Environment's riding, but that has just started to happen. It's not six months old in terms of a process. There's a great rush to the bottom now in terms of coal bed methane because we need the gas. Prices are spiking. It's a wonderful cash cow opportunity for both business and for governments, but where it has been practised so far in other jurisdictions in North America, there have been huge environmental issues around it. It's been poorly handled, and if it isn't properly planned out in this particular instance, the same thing can happen here. In fact, we could have some worse problems than they have in other jurisdictions because we don't have the same kind of base for the coal bed methane to come up through. There is no pool of sand for the methane to settle in and be nicely recovered from. They haven't figured out yet how to fracture the coal beds and capture the methane from the venting, so the potential for environmental risk at this stage is high.

We've heard the Minister of Environment talk about water recovery processes that they're thinking about and talking about and going to be planning and studying and looking at in the future, but there is no process in place right now. If that saline water gets mixed into the aquifers, we're going to have some serious problems in this province, a province that already has less potable water than any

other province in this country. When we take a look at even what they technically call the clean water or the fresh water that comes up from these sites, it isn't really fresh. It's contaminated with a number of minerals and other kinds of items like arsenic and mercury. How are they going to clean that up? Where are they going to put it? Where are they going to store it? What are all the management practices around that? There's a lot of information to be had before we're at the stage in this province where the government should be taking a look at bringing in this kind of a bill.

So we'll see if the sponsor answers some questions, and I'm hoping that when we get to committee, the Minister of Energy will also stand up and put his remarks on the record about why he thinks this particular bill is a good idea. As it stands so far, it doesn't look too promising. It doesn't answer the basic questions we have to ask of legislation when it hits this Assembly. Is it going to make the province a better place for people, for the environment, and for the economy? No, it isn't. If you mess this up and have environmental spills or have venting of methane, it's going to be horrible for everybody involved, for the communities, both the environmental communities in terms of the land and water and air base and for the people.

So those are the kinds of issues that need to be properly addressed up front rather than after the fact when the government goes once again: "Oh, well, there are some minor corrections happening here, but, you know, it's all going to be fine in the future. Don't worry; we'll fix it up by regulation behind closed doors." It isn't good enough, Mr. Speaker. It's certainly not good enough for me to support the bill at this stage.

10:10

Mr. Mason: I have a question, Mr. Speaker, for the hon. Member for Edmonton-Ellerslie. I'd like to ask the hon. Member for Edmonton-Ellerslie how much freedom she believes this bill may give to the minister and the government to proceed in a nonsustainable fashion with coal bed methane extraction.

Ms Carlson: Well, Mr. Speaker, that's a very good question. As it stands and as it reads here, this bill gives the Lieutenant Governor in Council additional regulatory power and additional power to make regulations regarding taxation. We haven't talked about coal bed methane taxation yet and everything they can do behind closed doors. We don't have to see more legislation in here. We'll just hear announcements and press releases saying: oh, this is what we're doing with coal bed methane now, and this is why it's such a great idea. But, really, they won't provide us any scientific data or any background or any studies that they've done to prove that the way they're moving forward is good. We know that some of the research being done is being done well, and there are really good, positive options open, but we have absolutely no guarantee that this government will proceed in that kind of a fashion. If their huge mess and bungling of deregulation is any indication of what happens when this government races to the bottom, we could be in big trouble.

The Deputy Speaker: Further comments? Questions?

Mr. Mason: So, Mr. Speaker, does the hon. member actually believe that this could be as bad as deregulation?

Ms Carlson: It won't be a \$9 billion boondoggle, Mr. Speaker, but it could be an environmental disaster. If that methane escapes into the air or we see spills on the land base or unrecoverable water cleanup processes, we can see contaminated land for a long time, and the cleanup in those kinds of situations is significant. Some of it you

never properly recover from. So I'm also wondering in terms of that kind of cleanup about the kind of liability that landowners will be facing when they allow this government to go forward with those kinds of processes on their land if we don't have the proper framework put in place to begin with. I'm wondering if this class action legislation that we're seeing in this Legislature may be just in the nick of time for some landowners in this province.

The Deputy Speaker: No further questions?

The hon. Member for Calgary-Bow to close debate.

Ms DeLong: I just wanted to say a few words to some of the questions that have been posed over the several days that this bill has been in second reading. I just wanted to let you know that most of it will be addressed during Committee of the Whole.

I did want to just give a little bit of comfort. There's some uncertainty here, I guess. There are concerns about coal bed methane. All we're doing at this point is looking at the difference between exactly who owns the methane that's in the coal, whether it belongs to the person who's mining coal or whether it belongs to a different formation down below. It has nothing to do with the royalty regimes, as you were talking about. This is not dealing at all with royalty regime changes. Essentially, what we're dealing with is collection methods, but we'll get into all those details during Committee of the Whole.

Thank you.

[Motion carried; Bill 18 read a second time]

Bill 12

Financial Sector Statutes Amendment Act, 2003

[Adjourned debate April 7: Ms Carlson]

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. If I recall, I had just barely gotten started on Bill 12 last time mostly because we hadn't had a chance to get the feedback from stakeholders at the time that it was introduced. We've had a whole whack of legislation introduced in a short period of time without in many cases good briefings from the sponsors of the bills, and this would have been one of those. [interjection] It is so. So we can't get any information out of this government. We know that they like to do everything by regulation behind closed doors and what legislation they do bring in is quite closely held in terms of sharing information.

So what we see as one of the interesting questions on this bill, Mr. Speaker, is that it amends the Alberta Treasury Branches Act, and then it talks about other regulatory guidelines for ATB, and it amends some of the stuff in the credit unions system. Then plunked into the middle of this bill we have also a proposal to exempt employee benefit plans covering medical, dental, prescription drugs, and disability benefits from the Insurance Act. So our question is: why have you lumped a benefit program in a bill that's dealing with financial institutions – it doesn't seem to be very logical – or the consequential amendments to the Cemeteries Act and the Funeral Services Act? There must be some rationale for why these things are all in this bill. I can't see it here, and we hope that somebody will explain that to us when we get into committee.

We do have a few questions with regard to this bill that haven't been answered in the opening comments that we heard, so we would like those because subject to how the answers to the questions are given, this may be a bill that we will support because some parts of it sound like it's a good idea. We do need the financial institutions

in Alberta to be strengthened, and we do need them to be able to compete on an international scale if we want to retain any kind of Canadian ownership, I believe. With globalization there are some things that are better on a larger scale and some things that are not, and I prefer to keep my money here in Canada with a Canadian company if possible, and I know that that sentiment is shared by many people.

There are definitely a number of issues that have to be more closely examined before it's passed. So I'll put some of these questions on the record now, then hope that they are answered at the beginning of the committee debate.

Generally, we believe that these changes are significant because they affect the operations of the financial institutes. The concerns with the ATB and the credit unions we think are somewhat different and would be more properly addressed in separate legislation in small bills. It's never been my experience that a credit union wants to be compared in the same breath to the ATB or vice versa. So we're wondering what the rationale is for including them both in this particular bill.

It's almost like an omnibus bill that we see sometimes in miscellaneous statutes which we would not agree to when it has these kinds of significant changes. Someone needs to explain to us why we should agree to it here. We've known for a long time that omnibus legislation creates more problems generally than it solves, and we've seen that time after time here in the Legislature. So we need to figure out why the government is doing that, and it really helps if they just tell us. [interjection] Yeah, well, it's likely that we have to guess, but, you know, omnibus legislation, particularly dealing with financial institutes, can never be a good idea, seems to me.

So what other options did the department consider to bring this legislation up to date? Why didn't they go to little separate bills that would be very easy for us to pass in a speedy fashion? Who did the department consult about using this kind of omnibus legislation? Tell me that the credit unions are happy; tell me that the ATB is happy. I doubt it very much.

In terms of the ATB we see that now the ATB Financial will be able to serve as a financial leasing corporation and own insurance brokerage subsidies. Has the department done any analysis to determine how the bottom line of ATB Financial will be affected by this act? Clearly, it's going to increase. By how much? Have they done any surveys on how this is going to impact existing providers? This has been a hugely controversial issue. You walk in the door of these institutes and often you're a captive market. If investors are not sophisticated or have the time to shop around, ATBs will, I believe, perhaps have an unfair advantage. So how does the department address this?

10:20

We hear every two or three years rumours floated that the ATB is up for sale again. How's that going? Will these amendments make it more attractive to outside markets? If they could answer those questions. How do you see the ATB financial services improved for customers with this legislation?

To some extent the same questions apply to the credit unions. We like the credit unions to have the insurance brokerages within them. They've been asking for these changes for a long time so that they can stay competitive, and it's nice to see them here. But still a few questions, and one of those is that in one part of this bill credit unions are going to be allowed to use any means to contact the owners of unclaimed accounts. What exactly does that mean? Are there any limitations? What processes do they expect to be used? Why was it worded like this in the bill? It sounds somewhat negative in the manner that it's presented here. What are the rules

and regulations under FOIP in terms of personal information? Does it have to be an employee of the credit union? Can they farm this out to somebody else? All those kinds of questions we'd like to have answered.

Now, it also talks about in this bill the credit unions being allowed to operate as any prescribed business, and there's no definition in the bill that I could see of prescribed business. Can they tell us what that is? Does that then meet with the original purpose of credit unions in this province, or is it starting to broaden their mandate to a point that takes them outside the original intent of having credit union services?

I think those are the two key issues, the credit unions and the ATB, that I wanted to talk about. I have some questions around the Insurance Act and public-sector pension plans, but perhaps we'll see what kind of an overview the sponsor of the bill gives us in committee, and perhaps those questions won't need to be asked.

So those are my comments at this time, Mr. Speaker.

[Motion carried; Bill 12 read a second time]

Bill 28

Freedom of Information and Protection of Privacy Amendment Act, 2003

[Adjourned debate April 15: Mr. Lukaszuk]

The Deputy Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you. Thanks for an opportunity to speak in principle on – I'm not sure if it's for or against – Bill 28, Freedom of Information and Protection of Privacy Amendment Act, 2003. Now, I know that this is partly the memorial bill for the Member for Edmonton-Castle Downs.

An Hon. Member: What?

Ms Blakeman: Yeah, well, this was the one where he was very keen on getting into the newspaper for going up against one of the parking companies who was able to access home addresses and send their bills out through it, and this got him a lot of press in the summer a couple of years ago. So that's why it's a memorial bill for him or commemorative or however you wish to put it, but I don't think that's enough to be approving of this bill.

There was an entire freedom of information and protection of privacy road show that happened. I'm sorry. It was actually called a special select FOIP review committee, not a road show, and I was expecting much more of the work that was done by that committee to show up in this bill, which is part of the problem that I'm having with it, that there are a number of areas that should be in here and aren't. So why aren't they? What was the hesitation? The work was done by the committee. It was brought forward in their report, tabled in the House. Where is it? It's not in the bill. Why not? So the member should be able to tell us that.

Once again I'm assuming this will get passed into Committee of the Whole, and then we should be able to get some pretty clear answers about what happens there. I mean, I had looked for there to be some improvements with FOIP, particularly around people's access. This was supposed to be enabling access, and some of the common means that are used, mandatory and discretionary sections that are used to get out of providing people with information I expected to be reduced, and I'm not seeing that particularly here.

There were a couple of things that I was pleased to see. One is right in the beginning where we're talking about including biometric information under the definition of personal information. I think

that's excellent, and I was looking for that, and I'm really glad to see it here. Essentially, what that's doing is specifically saying that things like fingerprints and blood type, genetic information, those kinds of distinctly identifiable sort of DNA kind of information bits about somebody are going to be covered under this and included as personal information, which is a good step, but some of the other things are a little confusing, so I'll look for some clarification on that.

The registry is being clarified by what is meant as a registry, but then it goes on and talks about "authorized or recognized by an enactment." So I'd ask the sponsoring member to please table in the Assembly as part of the debate on this bill a list of exactly all the registries that would be captured by this amendment, because to just say a registry is "authorized or recognized by an enactment" – how or what? Somebody is supposed to plow through every single amendment that exists under the province to find out whether or not the registry is captured or not? It's not clear enough, and it needs clarification. So table the list or amend this so it's clear exactly what's being contemplated.

Also a little confusing is the section where it talks about the elections. Now, I don't know if this was anticipating the minister of health's decision not to hold further elections of the regional health authorities or understood that at that time the minister was going to disband the elected bodies and just go with appointed ones. It's just not clear what's meant in this section. I'm asking for an explanation on it because it's talking about an election. But if a board of an agency elects an executive, does that count under this definition? It's probably that they meant to be talking about citizens in a community electing it, or maybe they meant under the Local Authorities Board. It's just not clear, and under FOIP that's not good enough. This has got to be clearer, so let's have that nailed down.

We also have this odd phrase about "in the prescribed manner" which is appearing. It's talking about: the third party has in the prescribed manner consented to or requested disclosure. What exactly is the prescribed manner? What's being contemplated here? Is this going to be made clear in regulation? I hope not. I hope that it's spelled out clearly in the legislation, because otherwise this gets pretty darn confusing. So I need the sponsor of the bill to commit to share with the Assembly exactly what he understands this to mean, or maybe the chairperson of the special select FOIP committee could expand on that.

10:30

There also needs to be some clarification around: providing the notices must be given to. Does that mean the third party has to have received the notice? Will that impede giving notice in compelling circumstances where, for example, time is of the essence? In a different section there is a definition of what's meant by given to a person, but it's not clear if that's what's being intended in this particular bill. There seem to be four different ways that notice can be given, but you start cross-referencing with some of the others and then it gets confusing. So I'm asking for clarification around that as well.

This should be a very useful bill to many people, and without having to work very hard, I've already come up with half a dozen areas that need pretty clear clarifications. I'm going to ask that we get that kind of clarification from the sponsoring member and that some of these new definitions, particularly in the beginning sections, are spelled out and we get the examples that I've asked for, that we get the tablings brought forward and tabled in the House so that this is clear to everyone. This is a piece of legislation that we all use. It's now going to be expanded to the business sector. There's

certainly been a plea that we please get on with it because the business sector is waiting for this, but it has to be clear. We cannot do this to people when there's that kind of uncertainty around the definitions in this bill. So I'm going to ask that some additional work be done on this and that the explanations be provided.

At this point I want to support this, and I can't. It's just not good enough. So with that, I'll see if I can get some responses that are enough to make me change my mind. Thanks, Mr. Speaker.

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. Happy to participate on Bill 28, the Freedom of Information and Protection of Privacy Amendment Act, 2003. I sat on this committee with my colleague from Edmonton-Gold Bar as Official Opposition members, and this committee actually tops the list of worst experiences on committees in this Legislature. It used to be that Public Accounts was at the top of that list, and now this committee is there.

When I take a look and reflect back on why they were horrible experiences, they're process issues. In this particular case it was because of the chair of the committee. I seriously considered sending him *Robert's Rules of Order* for Christmas, but I didn't think he'd read it, so it would just be a waste of everybody's time and effort. We had some really horrible experiences on that committee in terms of interpretations.

An Hon. Member: And just making stuff up.

Ms Carlson: Yeah. Well, that's true. Exactly right. That's what happened sometimes. Information was just made up. [interjection] It was absolutely that kind of committee, I'll tell you.

I try to get along in all-party committees, and for the most part that really works well. Some of the committees, like sitting on the Heritage Savings Trust Fund Committee, which I have done for a long time, maybe eight years now, have been very interesting experiences and enjoyable experiences, and some good work has been achieved as a result of that. But when you have a committee where the chair for some reason has his own agenda . . . [interjection] Well, there you go. The Member for Edmonton-Highlands was also on that committee, and I'll tell you it was an experience to remember, and his comments are accurate. It was an unbelievable experience. Things that should have gone smoothly just totally blew up, and he had even his own members very upset with him at a variety of times, and we could have only wished that the deputy chair would have taken over any number of times so that we could have processed . . .

Mrs. Jablonski: Well, thank you.

Ms Carlson: Yes. Well, it's a compliment well deserved.

It was an experience, and I hope that in this Legislature I never see that particular member chair another committee, certainly not an all-party committee, because it was painful for everybody involved, including support staff. You know, I expect that when we're in these all-party committees that we talk in the committee, go away, the department works on some stuff, and it may or may not come back looking exactly like what you talked about in the meeting, and that's fine. That's the process, and the information at the end of the day looks relatively like what we had talked about in the meeting with some exceptions, and all that's fine. But the day-to-day workings of committees have to go smoother than that, and we certainly expect that in this Legislature and particularly in committees where there is a high participation by department staff and by the general public.

Ms Blakeman: And now the business community.

Ms Carlson: Now the business community. Exactly right.

I particularly hope that that experience is not repeated here again. I've sat on lots of all-party committees over the years with very excellent chairs who were government members and who follow procedures and processes well and are open to discussion and debate, and the outcomes are excellent. This committee took way longer than it had to. We could have been done this work a lot sooner even allowing for the Member for Edmonton-Castle Downs to do grandstanding whenever he felt like it. That could have all been accommodated, but I have to tell you that this was an experience.

So for that reason, Mr. Speaker, I'm going to save my debate on the content of the changes for later. I am going to oppose this bill in principle at this time, and I'm going to oppose it because of the conduct of the chair, and I want that to be on the record.

[Motion carried; Bill 28 read a second time]

Bill 29

Law of Property Amendment Act, 2003

[Adjourned debate March 27: Dr. Taft]

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I am happy to speak in second reading on Bill 29, Law of Property Amendment Act, 2003. What it looks like here is that the highlights of this bill are that it ensures that providers of mortgage default insurance have the ability to sue borrowers for any balances owing when they default on a high-ratio mortgage. I don't actually understand why this is required, because I thought that this was already something that was available. Maybe I misunderstood. It looks like this is looking for leveling the playing field for mortgage default insurance providers by ensuring that they have the ability to sue borrowers.

We all know in this province about CMHC, the Canadian Mortgage and Housing Corporation, who provide high-ratio mortgages. You pay a premium on your mortgage for the insurance that they provide if you default on a mortgage, so I guess now what they're looking for here is for other people to move into the market. So I'm wondering why this government would be doing this at this time. The CHMC does not fulfill its stated objective of leveling the playing field, they state, when you talk to the company that wants to come in, which is GE Mortgage Insurance Canada. I don't see in this bill particular reasons why we should support this, and we haven't even got an opinion from the Canadian Bankers Association on this. So why does the government have to get in the middle of this?

10:40

It's been a system that's worked quite well, and there is now a process in place where you can't assume mortgages without qualifications, and what's also being asked for here is an amendment to this bill that allows people to do that. So what would happen, then, is that if that second person defaults on the mortgage, the original mortgage-holder is still on the hook. Well, who's going to agree to do that, Mr. Speaker? I don't want the liability for some other fool who can't make his mortgage payment. They need to assume that liability on their own, so I certainly won't be supporting that kind of amendment, and I haven't heard any good reasons for us to be taking a look at, in what is actually a very small market in Alberta, making this change at this time. I want the sponsor of the

bill to tell us what the Canadian Bankers Association says and to tell us what CMHC says about this as well.

So waiting for those comments, I'm going to withhold my support on this bill.

[Motion carried; Bill 29 read a second time]

Bill 31

Local Authorities Election Amendment Act, 2003

[Adjourned debate March 27: Mr. Graydon]

The Deputy Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I will be following the debate on this particular bill with some interest because it cuts to the very heart of the functioning of democracy in our society. There are portions of this bill which deal, for example, with ballots and particularly special ballots. It deals with the work of returning officers. It deals with the nitty-gritty mechanics of how elections are held, and as mundane as some of those details may seem to most people, ultimately they can determine the outcome of an election. We've seen no more dramatic example of that than the American election of two or three years ago, which was plagued with all kinds of problems. So we can take our balloting and our voting and our democracy for granted, but we do so at our peril. This particular act will influence exactly how that process works. As a result, I hope it's an act that all members in the Assembly study and consider and debate. While the principles at stake here appear mundane, as I said, they are ultimately profound.

Those are really the only comments I'm going to make until we move into committee, where we can actually talk about the mechanics: what's going to happen in regulations, what's specifically provided here. At that time, we will be bringing in, undoubtedly, some examples of where questions have needed to be raised over balloting in Alberta elections and in other elections. Who knows? We may even bring in amendments, but for now I'll let this go through second reading and look forward to debate in committee.

Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I really have to get on the record on this particular bill, Bill 31, the Local Authorities Election Amendment Act, 2003.

It's a good idea, I think, that after the elections the Minister of Municipal Affairs gets feedback about the process and how it can be improved. Some of the recommendations we see in here are good, but I have to talk a little bit about the special ballots process. That's really, really a problem as it's laid out in this particular bill. The problem is that in the last election the process for special ballots was too loose as it was. [interjection] Too loose and inconsistent. That's true. There were lots of allegations and concerns and discussions with returning officers about what was happening.

What would happen is that candidates and candidate teams could take the special ballots and get them signed by a constituent and then turn them in. The complaints that came to a number of offices were that people thought that they had voted because they'd been told that they'd voted and they'd signed a piece of paper, but they hadn't actually written in anybody's name or marked an X or a check mark or whatever process they wanted to use. Then when ballots were counted, many of them looked like they were filled out by the same hand at the same time. So that's a serious problem. We had a number of returning officers very concerned, mostly in urban

centres, to be quite frank, Mr. Speaker, and to my way of thinking that's a process that needs tightening up, not loosening up.

I really agree with special ballots. There are circumstances where people are not able to get to the polls on election day: they're out of town; they just got out of the hospital; they're not very mobile; they don't speak the language. There are lots of really good reasons to have a special ballot process. What I would like to see happen is that when campaigns encounter someone who is a candidate for a special ballot, they contact the returning officer, give him or her the name, and have the returning officer go to the constituent to have the ballot filled out. So it maintains a level of impartiality in the process and doesn't call into question the count at the end of the day or perhaps have a smear against the name of any particular camp or any particular candidate.

This is an issue of particular importance. What this bill looks at doing is giving more ability to campaigns to use special ballots, and I think that that's a flawed process. I know that it increases the cost marginally of running the offices and puts a little bit more work on the returning officers during the writ period, but those officers, I think, are certainly up to the task. I had this discussion with the returning officer in my riding, who has been the same returning officer for all three elections and who, by the way, does an absolutely outstanding job there, I think. I have to tell you that at the first election I had some concerns because he is the cousin of the person who ran against me for the Conservative Party in the first election, but from that very first day of the writ dropping, he was very impartial, very fair, very reasonable, and continues to be that way in all elections. So I have to say that any fears I had were misplaced. He has done an excellent job, and I have heard the same said of many returning officers in this province. I truly believe that they operate with a very high degree of integrity, and I would have absolutely no qualms about them handling this special ballot process from beginning to end.

I have no end of qualms when that process is handed to campaign teams. Candidates and teams have the best of intentions, but things happen in elections, and it's easy for them to get out of control. We really need to make sure that the fences around this process are fair and reasonable. In my riding we always have contentious issues. In fact, in the last election one person at a street number and a particular avenue voted in my riding and then voted in the riding he actually lived in, which had the same street number and avenue, which happened to be in the Member for Edmonton-Mill Creek's riding. These things happen. He was given the benefit of the doubt. [interjection] Well, they're not supposed to, and I brought it to the attention of the returning officer for the province.

The returning officer in my riding bumped it right out of his jurisdiction immediately. Apparently this person was talked to and apparently said that he made a legitimate mistake. Once he voted at the early voting station and then once on election day. I know the Member for Edmonton-Mill Creek's riding and my riding. You know, we have 20 or 30 people voting from one house. I don't know how that happens, but it happens. They're not always big houses, I have to tell you. So you can imagine the kind of difficulties that happen in some of these ridings. [interjection] Some of them aren't three storeys. Some of them are little tiny houses. He's laughing because he knows this is true. This happens.

10:50

The special balloting process is something that is much more controllable with the right kinds of fences built around it. I definitely do not want to see campaigns or other individuals have access to the management of those particular ballots. I definitely want to be able to call the returning officer and say, "Here's a candidate; please

look at this," and have some process for having those people being able to exercise their franchise. But I sure don't want to put it in the hands of any practices that maybe come into question, and we had several of those in the last election, and that was several too many for me, Mr. Speaker.

So I'll vote against this in principle, and I'll look forward to seeing an amendment come in in committee.

The Deputy Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks. I just briefly want to talk a little bit on the same issue, and that's around the section in Bill 31, the Local Authorities Election Amendment Act, 2003, around the special ballots. Special ballots are really important in Edmonton-Centre. We have a large number of frail seniors or shut-in seniors or, depending on the weather, just people that would have difficulty with mobility problems. We also have a number of citizens who have a physical disability. So the potential for the use of a large number of special ballots is certainly there. I have not experienced, at least to my knowledge, the same number of questionable circumstances around special ballots, but I'm certainly aware of the capacity for that, and I am concerned that we make sure that we deal with this issue while it's possible to do so, while we have a bill like this in front of us. So although this is local authorities and wouldn't necessarily affect us for a provincial election, nonetheless what we're setting out here is likely to be used in other places, and I think it's important that we get it right.

What's possible now, as my colleague from Edmonton-Ellerslie mentioned, is to have campaign workers filling out or assisting constituents to fill out the special ballots. I agree with her that I think this needs to be done by a staff member under the direct control and supervision of the returning officer for that particular area. Now, that may well require some additional staff because in some areas I think you would end up with a number of special ballots. Nonetheless, I think we need to look to that, because we cannot have the results of elections fall under the same sort of disarray as we saw in the States. I mean, it made those elections a laughing matter, and I think it's really important that that not happen to us. So there's a potential to follow through here. We have the ability to deal with this with this bill that's in front of us, and we need to do that. I won't belabour the point. I just want to make sure that it will be dealt with here and with the assumption that those same sections could be carried on to other acts that are affecting elections in Alberta.

So until this can be dealt with and tightened up, I have hesitations about supporting the bill, but let's see what the sponsor of the bill has to say about it. Thanks very much.

The Deputy Speaker: The hon. Member for Grande Prairie-Wapiti to close debate?

[Motion carried; Bill 31 read a second time]

Bill 32

Income and Employment Supports Act

[Adjourned debate April 15: Mr. Dunford]

The Deputy Speaker: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Thank you, Mr. Speaker. Bill 32 consolidates and updates existing legislation, integrates income and employment training programs, increases accountability for training service

providers, and builds on Alberta's success in helping people prepare for, find, and keep jobs. The Income and Employment Supports Act brings three income-supported programs – supports for independence, widow's pension, and skills development program living allowances – together into a single integrated income support program.

Mr. Speaker, Bill 32 is a bold step forward for Alberta and takes us even further away from old approaches to welfare that simply did not work. They trapped people into ongoing dependence on government handouts instead of giving them the hand up they need to live independent and productive lives. Bill 32 shifts the focus from programs to people. It will make sure that programs work for people instead of trying to fit people into programs that often do not match their needs. The new approach will put the right building blocks in place and tailor supports directly to what people need to become as independent as possible.

With that, I would move second reading of Bill 32.

The Deputy Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I'll be candid: I need to give substantially more thought before I can get into a detailed debate on this issue. I do know, as the minister undoubtedly knows as well, that these are sensitive programs. Fundamentally, people's lives hang on these programs in a way that people's lives don't hang on very many government programs. I'm sure that all of us as MLAs have heard from constituents and family members and so on the concerns about the supports for independence programs and the training programs and the whole package that comes along with them.

There has also been a prolonged and vigorous lobby for improved benefits under these programs. Frankly, I'm sympathetic to some of those lobby efforts because there's a point at which being economical and being tight with money crosses over into being mean, and I do feel at times that as a government that has happened. We've somehow from time to time lost the sense of the humanity of truly poor people in this province. I think we all would like to regard income support programs as simply temporary measures while people perhaps for whatever number of reasons are caught without work and without income and need a bit of support until they get back into the workforce. The great majority of people who use these programs, I believe, use them on that basis. It's a pretty short-term support that keeps a bit of food on the table and keeps them from becoming homeless until they get their feet under them again. So that kind of mechanism is important, and obviously in principle it's one we agree with. This bill rearranges the administration of these programs, the mechanics of these programs, yet I'm not convinced from the information I've got that they will improve some of the fundamental issues of human dignity that are brought up by questions of absolutely bare minimum payments, supports under programs like supports for independence.

11:00

So, again, as with previous bills, when it comes to committee we'll have had time to look at these more closely. I'm sure there are good things. I'm sure there are issues where we will disagree with the government. We will be looking forward to an informed debate with the minister as typically we do have with this minister.

With those comments, Mr. Speaker, I'm done.

Ms Blakeman: I'm not. I'd like to address a number of different areas around what's being proposed in this bill. I'd like to talk about the effect of the bill or the result of it around abused women and

their children, I'd like to talk about what happened with the widows' pension program, I'd like to talk about the training concerns, I'd like to talk about AISH, and I'd like to talk about the hand up.

I asked a question in question period today, and part of that question was directed to the minister. I do have real concerns. Where we have women with children that are trying to escape abusive situations, they are often women who do not have any financial resources. If they did, they wouldn't be in such dire circumstances. They could pack up, get into their SUV, and drive to a hotel. It's less of an issue then. But for women who don't have resources, perhaps they don't have control of the family finances, perhaps they don't have a bank card or don't have access to the cheque book or don't have the ability to easily get their hands on cash, then being able to access SFI becomes their lifeline. I have real concerns that we are not doing everything that we can to help these women and their children get away from the circumstances that they find themselves trapped in. Part of this is connected to the last category that I was talking about, the hand up. I understand what the government is trying to do when they say that we're trying to give people a hand up, not a handout.

My point in all of this is that you have to be pretty low in life circumstances to be below that hand so that it is giving you a hand up. With the criteria and eligibility around this program you've got to be really destitute to be eligible for it; therefore, when we have abused women and their children that are on this program, they're in pretty dire straights.

I could hear the frustration in the minister's voice during question period this afternoon about: why are these women even needing to be on his program? We're obviously not dealing with the issue where we need to be, which is where the violence is starting in the homes. We're not dealing with the issues around the women and children having to flee. There was, in fact, legislation that was originally proposed by the then member for Edmonton-Highlands which turned into the bill that was sponsored by the then member for Currie, which was the family violence protection act, which does in fact allow for women and children to stay in the home and for the police to remove the aggressor from the home if it was felt that violence was imminent. But it's not doing enough. We still have women and children fleeing in the middle of the night in their pyjamas and then trying to access some of the programs that are available here.

The minister did put together and had an MLA committee to review low-income programs last year. I know that they brought forward a number of recommendations. Primary among them was that there be more money, and that's part of my concern. I know that the SFI program already makes some extra allowances for women who are fleeing abusive situations; for example, being able to apply for and under special circumstances get damage deposits, which is something that is not available to most people on the program. So I understand that there are already some things that are being done, but that amount of money is not enough for a mother and her children to stay out of an abusive relationship, generally speaking, and we need to work to that. I'm not going to let the opportunity go by to make that point.

Secondly, we've got the issue around the widows' pension program, and honestly I can't even remember when it was put together, but a long time ago.

An Hon. Member: Eighty-four.

Ms Blakeman: Nineteen eighty-four. Okay. Oh, that's interesting.

What we had was a challenge where a group of individuals who were divorced or never married went to the Human Rights Commis-

sion and said: this is discrimination based on marital status. People who are widowed are able to access this special amount of money, and frankly the money was more attractive. A single person on supports for independence now is around \$402 a month for a single male, I think. We're looking at a couple getting \$772 on SFI, a child and an adult getting around \$819, and then medical benefits would be above and beyond that, I think. On AISH we've got recipients getting about \$850 a month, and the widows' pension recipients were receiving up to \$880 a month plus medical benefits. It did look better than SFI, frankly, and that's why it was attractive to a number of people.

We also know that we've got a demographic out there, and specifically that was women between 55 and 64 who chronically have been unable to be successful in re-entering the labour market. I think that we will see that demographic slowly disappear. I expect that with the women from my generation, for example, it just won't be an issue. We've worked since we came out of school, whether that was high school or an institute training program or university. We expected to work our whole lives, and we have. So I don't think we will find ourselves in the same situation.

But several generations of women in advance of me did not have the advantage and the access to postsecondary training for those kinds of career opportunities that would pay them a better living wage, and when they found themselves widowed, the likelihood was they hadn't been in the labour force ever or possibly not since before they were married with some sort of minor administrative or retail or service experience that did not translate well for them 20 or 30 years down the road. So they were in need of this assistance, and in fact they got it when the program was instituted in '84. That program has now been challenged because there were women who were divorced or who were never married who were also suffering the same problem between 55 and 64. That's a demographic where it was very difficult for those women, just given their life experience, to get back into the labour force.

The programs that we, in fact, had like Options for Women did not translate well coming from underneath the funding from the federal programs. When we had the labour market programs come together with the provincial government, it didn't translate well. Options for Women did not get further funding, and they closed. So even organizations that were there to help women that were in that particular age bracket did not make the transition into the provincial government funding. I think it's a great loss because that was a particularly excellent organization, but it's gone.

We had the widows' pension program challenged by other women – and their only difference was based on marital status – and, not surprisingly, they won. I knew they would, and I also knew that the government was not likely – in fact, it probably couldn't, if we're realistic about things – to open the program up. Instead, they're going to end up shutting the program down. They have given more time than I expected for transition on the program, but it will be phased out. No question.

11:10

I'm hoping that as we work to improve the status of women in Alberta, aching slowly based on comments I've already heard in this House tonight, as we continue to work on the status of women, in fact, as I said, we wouldn't need this program in the future. But I know that there will be a number of women for whom this is a really frightening experience, to be told that this program is closing down and that they will have to transfer into the SFI program. I've already mentioned the numbers here. Some of them could be looking at a drop in their income by 50 percent, down to sort of \$400 a month. Now, try to imagine being a single woman under 65 trying

to live on \$400 a month in this world. How safe do you think you're going to feel? What kind of accommodations do you think you're going to find to live in? Pretty scary stuff because those kinds of accommodations that you're going to find for the \$400 mark are not going to be in great areas of town. So just think of yourself as being a fairly proper widow, who's perhaps just into her early 60s, who could be looking at that kind of drop in income. It's going to be pretty frightening, and I look to the minister to help make that transition. I don't see how it could possibly be positive but at least less frightening than without some of the transition. That's possible for the minister to do.

I continue to be concerned that we did not see an increase in the AISH program, which I think really needs to be addressed, and we did not see it coming along with this low-income program review that we expected to see. It becomes a question about: what kind of a society are we? There is a long-standing argument for – what's it called? – a pension for everybody. Everybody gets a certain amount of money no matter what.

An Hon. Member: A guaranteed minimum income.

Ms Blakeman: Guaranteed income. Thank you very much.

And there are a lot of very positive, good arguments for that. I don't see that happening in Alberta, and I'm realistic enough to see that it's not going to happen, so I'm not even going to argue for it – I'm wasting my breath here – but I think that there are some of the existing programs, though, that we need to look to. Of course, one that affects an awful lot of my constituents is AISH, and I'm really concerned about the levels. We've got a serious housing problem, access to housing. The private landlord program is frozen at the same level. Rents are finally going up, so for the last couple of years private landlords have been able to increase their rents and recoup the money that they claim they weren't making in previous years. Housing and adequate housing, especially for people on AISH, has really become a problem.

A lot of the people in my constituency who are on AISH are not necessary physically disabled. A lot of them are mentally disabled: brain injury and mental health problems. So specialized housing becomes really important for them, and 850 bucks a month is not a lot of money, especially when you're looking at other things to ease the pain in your life. Over-the-counter and alternative treatment, for example, that are not covered by the medical benefits, again, become really important. So I cannot say enough how disappointed I am that there was not an increase in AISH and that the increase that I see for SFI is painful.

Finally, the concept of the hand up. As I said, you have to be pretty low down to be below that hand that's going to be up. You know, just given the assets, the expectation that you really have nothing before you're qualifying for these programs, I struggle with. I know that this government isn't going to be any more generous than they are, and I think a number of government members probably feel they're being very generous with these programs. I disagree, and I would do more, but I'm not in government right now.

I think the other area I want to talk about here is training – it's just the one that I've skipped over that I listed – and again I look to the Auditor General for advice here. In the time that I have sat on the Public Accounts Committee, and I'm now in my seventh year, the training programs are a real problem. Just looking very quickly at my notes, going back to the '96-97 annual report, the Auditor General was identifying problems with the training programs, with the monitoring of it, with ensuring that what was being paid for was in fact being delivered. I don't see that that is being sufficiently dealt with in what's being brought forward in this bill. There's a lot

of money that's paid out to try and get people on these training programs. I think there are real questions about whether the training programs are successful, and I think that there's still a huge issue in the department about the monitoring of these programs to make sure that we are getting value for money.

There has been work done by the department – I'm not saying there hasn't – but there is much more that needs to be done, so I'm struggling to support this bill in the shape that it's in.

Thank you, Mr. Speaker.

[Motion carried; Bill 32 read a second time]

The Deputy Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. It's been a very productive evening, and I would move that we now stand adjourned until 1:30 p.m. tomorrow.

[Motion carried; at 11:17 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]