

Legislative Assembly of Alberta

Title: **Thursday, May 8, 2003**

1:30 p.m.

Date: 03/05/08

[The Speaker in the chair]

head:

Prayers

The Speaker: Good afternoon and welcome.

As we pray, let us also commemorate Victory in Europe Day with the words of Winston Churchill, given in London on May 8, 1945:

God bless you all. This is your victory! It is the victory of the cause of freedom in every land. In all our long history we have never seen a greater day than this. Everyone, man or woman, has done their best. Everyone has tried. Neither the long years, nor the dangers, nor the fierce attacks of the enemy, have in any way weakened the independent resolve of the British nation. God bless you all.

Amen.

Please be seated.

head:

Introduction of Visitors

The Speaker: Hon. members, I have the great pleasure today of introducing to you the Hon. Ted Staffen, the recently elected Speaker of the Yukon Legislative Assembly. Mr. Staffen is accompanied by his sister Anne and brother-in-law Reg Bukowski from St. Albert, and they're seated in the Speaker's gallery.

Speaker Staffen was first elected to the Yukon Legislative Assembly in the general election of November 4, 2002, and was elected Speaker on February 27, 2003, when the first session of the 31st Legislature convened. Mr. Staffen is the 22nd Speaker to serve in the Yukon since the Yukon Territorial Council became a fully elected body in 1909. He represents the constituency of Riverdale North in the Legislature on behalf of the Yukon Party.

I'd ask members to join with me in welcoming the hon. Speaker Staffen to our Legislature.

head:

Introduction of Guests

Mr. Jonson: Mr. Speaker, today I am pleased to introduce to you and through you to members of the Assembly 20 students from the Countryside Christian school, located near Edberg in my constituency. They are accompanied by Mr. Chester Isaac, teacher, and board members Mr. Ralph Thiessen and Mr. Randy Friesen. They are seated in the members' gallery, and I would ask that they stand and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Minister of Infrastructure.

Mr. Lund: Thank you, Mr. Speaker. It gives me a great deal of pleasure to introduce to you and through you to members of the Assembly Berhanu Demeke. He is a recent graduate of Grant MacEwan College in public relations. He's currently doing an eight-week practicum in my department's communication division, where he's involved in a variety of projects. Berhanu is originally from Ethiopia and has lived in our great province for 10 years. He is seated in the members' gallery, and I would ask him to rise and receive the traditional warm welcome of the Assembly.

Mr. Loughheed: Mr. Speaker, in the members' gallery today is Jason Yaremchuk, whom I'd like to introduce to you and to members assembled. Jason will be working this summer with the Legislature's information systems. Jason is accompanied by Greg Pelletier, who also works with information systems. I'd ask them to rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for St. Albert.

Mrs. O'Neill: Thank you, Mr. Speaker. It's a pleasure to introduce to you and through you to members of this Assembly the vice-president of corporate affairs for Eli Lilly Canada, Mr. Terry McCool, and Mark Patton, the Alberta manager of government affairs. Eli Lilly Canada was born of a collaboration with Canadian research heroes Banting and Best to bring insulin to the market. Since then the company has launched powerful antibiotics, introduced Prozac, and pioneered drugs to treat such desperate conditions as cancer, schizophrenia, and osteoporosis. They are in the members' gallery, and I would ask that they rise and receive the warm welcome of this Assembly.

The Speaker: The hon. the Premier.

Mr. Klein: Thank you, Mr. Speaker. I'm pleased today to introduce to you and through you to members of the Assembly two summer STEP students, Natasha Dhillon and David Wheeler. Natasha will be working at McDougall Centre in Calgary. She is an energetic University of Calgary student who just finished her third year studying international relations and religious studies. Natasha speaks both French and English and is active in campus volunteer activities.

David will be working in my constituency office. He is currently pursuing a degree in political science at the University of Calgary. David speaks both Spanish and English, is an active skier and hockey player, and is a member of the political science students' association.

Mr. Speaker, it's a pleasure to have these two fine young Albertans join my staff for the summer, and I know that they will find the experience both rewarding and challenging. I would ask that our honoured guests rise and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Thank you, Mr. Speaker. On behalf of the Member for Medicine Hat, who expressed to me his sincere regret at not being able to make the introductions himself, I'm pleased to introduce to you and through you to all members a number of guests who have joined us today. Please join me in welcoming approximately 100 students, teachers, and parents from Crestwood school in Medicine Hat who have made the six-hour bus trip from Medicine Hat to join us in the Leg. today. Despite the tremendous amount of work and organization involved, Crestwood school has a tradition of having its grade 6 classes visit the Legislature every year. They are seated in both the members' and the public gallery, and I'd ask that they rise so that they may receive the traditional warm welcome of the Assembly.

Mr. Speaker, if I could, I'd also like to acknowledge that St. Louis school from Medicine Hat also had grade 6 students visit the Legislature this morning but were unable to join us this afternoon. The Member for Medicine Hat asked me to let both groups know that he looks forward to joining them at their respective schools in the very near future.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. I wish to introduce to you and through you to all hon. members of this Assembly a constituent of Edmonton-Gold Bar, Mr. Douglas Combs. Mr. Combs, who is present in the public gallery, is an employee in the

security industry and has taken the time from his busy schedule to come to the Legislative Assembly to view the proceedings of the House. I would now ask Mr. Combs to rise and receive the warm and traditional welcome of this Legislative Assembly.

Thank you.

The Speaker: Are there others? The hon. Member for Calgary-Shaw.

Mrs. Ady: Thank you, Mr. Speaker. I'd also like to introduce to you and through you today my STEP student. I believe she's in the members' gallery, and her name is Jen Smith. She just returned from a year at Brigham Young University and hopes to be a teacher some day. I know that the constituency of Calgary-Shaw will be well served by Jen this summer. I'd like her to stand and receive the warm welcome of the House.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I'm happy to rise today and introduce to you and through you to members of the Assembly a constituent of mine in Edmonton-Highlands. Her name is Carmen Macklin. She's here to observe the proceedings today, and she is seated in the public gallery. I would ask her to rise and receive the warm greetings of this Assembly.

head: **Ministerial Statements**

The Speaker: The hon. Minister of Economic Development.

Alberta's Economic Outlook

Mr. Norris: Thank you very much, Mr. Speaker. Today I rise to talk about some great Alberta economic stories, specifically about the great cities in Alberta, and today it's Calgary and Edmonton that we'll be talking about. The Conference Board of Canada says that Alberta's overall gross domestic product will be 5.5 percent this year and 4.9 percent in 2004, which outpaces all growth in other provinces in Canada. As a result of this, employment growth will benefit from the Alberta population growth, pushing unemployment rates well below 5 percent.

Mr. Speaker, as the Minister of Economic Development in Alberta I have met with entrepreneurs, international exporters, and business leaders from across this province who have made the Alberta advantage work for them and continue to do so in their communities. The economic success that we have enjoyed today is a tribute to all those hardworking and dedicated Albertans.

At the same time, the outstanding performance of Alberta's economy is also a tribute to the leadership of Premier Klein. Over the past decade Premier Klein has laid the foundation for outstanding growth in Alberta with a number of programs that have continued to give the Alberta advantage to the business community in ways that are now producing huge dividends. Alberta's increasing growth in manufactured goods and business services has reduced the effect of commodity prices and led to an increasingly diverse economy. Today Albertans look upon the entire world as their export market for Alberta goods, and Alberta has become a most attractive investment destination. In short, Alberta is claiming its place on the global economic stage.

1:40

Now for the really great news, Mr. Speaker. The Conference Board of Canada ranked Calgary, the great city to the south of us, as the number one growth city in the country of Canada for this year

and for the next three years running. That growth is closely followed by the great city of Edmonton for the years 2004 to 2007.

I would like to offer my congratulations to all Albertans in the business community and to this government for having the dedication to understand that business fuels this economy and will continue to do so.

Thank you, Mr. Speaker.

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

Ms. Carlson: Thank you very much, Mr. Speaker. The Official Opposition is also pleased to hear that the Conference Board of Canada projects that Alberta's GDP will continue to grow in the immediate future. However, it is important to remember that there is another side to this story about Alberta's economy.

The Minister of Economic Development and this government need to start taking into account all the factors that contribute to Alberta's economic well-being. For years consumers and businesses alike have been struggling under the weight of outrageous energy bills caused by this government's deregulation boondoggle. We are now seeing the postponement of upgraders, deferrals, and a general economic slowdown. Deregulation is turning the Alberta advantage into an Alberta disadvantage.

Education is the key to future economic prosperity in Alberta as it fuels economic growth. However, a recent study conducted by TD Economics highlights the deficiencies in Alberta's education system. Years of inadequate funding for education has led to large class sizes and some of the highest tuition rates in the country for postsecondary students. Action must be taken now to restore Alberta's education system so future generations of Albertans don't have to suffer. Through chronic underfunding, this government is creating a social deficit that is affecting our quality of life and our capacity to attract and retain individuals and industry.

Yes, we are looking at a short-term gain, but the real questions are: will it be sustainable, and what will our long-term quality of life be?

The Speaker: Hon. members, it appears that the hon. Member for Edmonton-Highlands would like to participate. That will require unanimous consent.

[Unanimous consent granted]

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker, and I would indeed like to thank members of the Assembly for the opportunity to respond to the ministerial statement that we just heard. I regret, however, that I cannot join in the cheerleading and apple-polishing, because it seems to me that the Minister of Economic Development has glossed over a number of problems plaguing Alberta's longer term economic prospects.

For example, the TD Bank has highlighted Alberta's underinvestment in education resulting in participation rates in postsecondary education below the Canadian average, which threatens our future competitiveness and prosperity. Other commentators express concern that Alberta is ill equipped to deal with the inevitable decline in our natural wealth of oil and natural gas resources as a threat to our future economic well-being. Then there is the botched energy deregulation scheme, which has transformed Alberta from having the lowest nonhydro electricity rates in North America to having the highest electricity costs of any Canadian province.

We're indeed fortunate, Mr. Speaker, to live in a beautiful

province endowed with so much natural wealth, but we must do a better job of conserving these resources, safeguarding our air, land, and water, and educating our youth if this prosperity is to be secured for future generations.

Thank you, Mr. Speaker.

The Speaker: Before the next item in the Routine a comment will be made at the conclusion of the Routine about the violation of the rules presented by the first speaker. We'll do that at the end.

head:

Oral Question Period

Electricity Deregulation

Dr. Nicol: Mr. Speaker, the Premier is commissioning yet another study on electricity deregulation despite the fact that he already has at least four reports by four different committees collecting dust on the shelf. To the Premier: why do we need another report to tell us what the report of the Advisory Council on Electricity has already told us? There is a lot wrong with electricity deregulation.

Mr. Klein: Mr. Speaker, there's not a lot wrong with deregulation per se. There is something wrong with the way in which some companies in some areas of the province bill. Indeed, there has been in place for some time an Advisory Council on Electricity, and this advisory council has tremendous knowledge about the energy industry. It has been in place I think for something like two years and is the best group to conduct this review of consumer concerns, not deregulation. We are not going back on deregulation, but if the Liberals want to go back to a totally socialized, regulated format, then let them stand up and say so.

What we will do is expand the mandate of the committee to look at some of these consumer issues, and to do that, we will be adding two Members of the Legislative Assembly to that committee. The hon. Member for Whitecourt-St. Anne and the hon. Member for Leduc will be added to the committee to represent consumers and to get to the bottom of why there are billing discrepancies throughout the province. It has nothing to do with deregulation. It has a lot to do with billing practices and maybe some other matters that may be deemed fit by the advisory committee to review.

Dr. Nicol: To the Premier: so this commission will not be looking at the issues that you've created in this electricity deregulation that in themselves are contributing to higher prices for Albertans?

Mr. Klein: Mr. Speaker, that is an assumption that I believe is entirely false. Deregulation – and the hon. leader of the Liberal opposition knows this – has brought many benefits, but it's so typical of the Liberals not to talk about the benefits and only to talk about the negatives. That's why they have seven and that's why we have 74: because they only want to talk about the negatives. We've never said that deregulation would be easy, but we have said that its long-term effect would be positive for the province.

Now, I'm going to tell you, Mr. Speaker, for the benefit of the opposition Liberal leader, that deregulation has brought many benefits to electricity consumers, including about 3,000 megawatts of new power, an increase of 30 percent with no debt to the taxpayer; another 5,200 megawatts of new power being planned, representing an investment of about 6 billion private-sector dollars, again with no debt to the taxpayers; security of supply for today and for the future; and growing availability of new product options and packages for retail customers as more marketers come onto the Alberta scene. So we do need – and I hope the Liberals will agree with us – a free and competitive market to create new electricity generation in Alberta,

or we run the risk of brownouts or blackouts. Under the regulated environment that we had before . . . [interjections]

The Speaker: Please. Let's go on to the third question here.

Dr. Nicol: Again to the Premier: will you admit that this commission is not going to look at the problems that your regulatory changes, your flip-flops on regulation are causing, increasing the price on deregulation as well?

Mr. Klein: Mr. Speaker, first of all, the commission has had the authority all along, for the past two years, to look into many aspects of the generation and the transmission and the selling of electricity. The committee will be expanded to include issues such as why some parts of Alberta are paying higher prices than other areas, billing practices of utility companies, fairness of all line items on the bills, consumer accessibility to competitive market options, long-range forecast for consumer prices, realistically and independently, current and future benefits of deregulation for consumers, impacts of government and EUB decisions on consumer prices, and other consumer issues identified by the council.

Now, Mr. Speaker, notwithstanding what the Liberals try to portray about deregulation, the bottom line is this. Martha and Henry out there in Alberta do not generally understand power pools. They don't understand electrons. What they understand is the bottom line on their bill, and when they see an unreasonable bill, they want to know why, and we want to get to the bottom of it.

1:50

Dr. Nicol: Mr. Speaker, if they wanted to get to the bottom of it, they'd give that commission the power to deal with all of the issues that are affecting the price of electricity in this province. Mr. Premier, why are you not allowing the commission to look into all of those issues?

Mr. Klein: Mr. Speaker, they have that already. The committee has that already. All we are doing is expanding the mandate of the committee.

Dr. Nicol: To the Premier: why is it that this committee has made many recommendations to this government and you've yet to act on them?

Mr. Klein: Mr. Speaker, that is an assumption that I believe is incorrect, but I will have the hon. Minister of Energy respond.

Mr. Smith: Well, Mr. Speaker, the member is absolutely wrong. One recommendation from the Bolger commission, or the advisory council on electrical issues, that was struck in the first quarter of 2001, was to deliver transmission that delivered overall lowest competitive generation in the province. We did that. They didn't like it. I mean, are they opposed to the commission?

Dr. Nicol: To the Premier: given that the Minister of Energy has made such a mess of deregulation, why does he still have his job?

Mr. Klein: First of all, Mr. Speaker, he has a job because he has done a good job with deregulation under very difficult circumstances and with, I believe, undue and unwarranted and unsolicited, certainly, criticism from the Liberal opposition.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Electricity Transmission Policy

Mr. MacDonald: Thank you, Mr. Speaker. During the 2001 election campaign the Premier when discussing electricity deregulation looked up from his briefing notes and shrugged, quote: I have no idea what all this means. End of quote. Customers across Alberta certainly know what this means. It means sky-high power bills, expensive, unreliable service, and they want answers. They want electricity deregulation unplugged. My first question is to the Premier. Given that now consumers are faced with at least an additional \$3 billion – that's \$3 billion – in transmission costs in the next 10 years, where will these costs now appear on consumers' power bills?

Mr. Klein: Well, first of all, Mr. Speaker, for the record he has added \$2 billion. I know that they don't think \$2 billion is significant the way they like to spend, but \$2 billion, albeit Canadian, is a very significant amount indeed. It is \$1 billion, and when spread out through the province and all the consumers of the province, both individual and industrial, it is very little considering that over the long term deregulation will bring about and has brought about many benefits, and I've already alluded to those benefits: 3,000 megawatts of new supply, an increase of 30 percent with no debt to the taxpayer. That's important. I know that perhaps they admire the socialist framework that they have in Saskatchewan and Manitoba, and perhaps they even admire the huge debts that have been accumulated in those provinces, but we don't.

So no debt to the taxpayer; another 5,200 megawatts of new power being planned, representing an investment of 6 billion private-sector dollars; again, no debt; security of supply. This is important. Yes, there are some billing problems, and we're going to look at that, and those billing problems exist in certain areas of the province. But the one thing that needs to be mentioned – and this is what I was going to mention, Mr. Speaker – is that under the totally regulated system we were in danger of brownouts or blackouts because the EUB decided when new power was to come onstream. That was the regulated portion. It was entirely up to the EUB. The power companies were not allowed, without the decisions of the EUB, to bring on new power, so there was a critical shortage of power. Now we have security of supply. Albertans can rest assured there won't be blackouts or brownouts, and that is important.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. We know that electricity deregulation may cause brownouts, it may cause blackouts, but it's also going to cause a PC political wipeout.

The Speaker: I'm assuming, hon. member, that that was the question.

Mr. Klein: Mr. Speaker, in his dreams. In his dreams. The people of this province, albeit not understanding all the intricacies – and I know that this hon. member doesn't understand all the intricacies of power generation, distribution, and sale; it's a highly complex issue – understand one thing. They understand entrepreneurship, they understand free enterprise, and they understand the ability of being able to think and plan for themselves rather than having government do it for them.

Mr. MacDonald: Mr. Speaker, to the Premier: what circumstances have changed between November of 2002, when the EUB made the decision to share transmission tariffs equally between generators and

customers, and now that enabled the Minister of Energy to completely change government policy and pull the rug out from underneath the EUB? What circumstances have changed to allow that to happen?

Mr. Klein: Well, Mr. Speaker, I'll have the hon. minister supplement, but the simple answer is that the consultants who were retained to make that recommendation are no longer consultants.

Perhaps the hon. minister can respond.

Mr. Smith: Mr. Speaker, absolutely true. I mean, the member has been here now since Thursday a week ago, Thursday of the week past. He's read the speech on Monday. He's been in the House Tuesday and Wednesday. He's heard that we've responded to the report of the advisory council on electrical issues. We're doing this in the interests of Alberta consumers, because there would be certain consumers paying more for transmission in Alberta than others. This is a province of 3 million people. We want everybody to be treated the same on transmission. They will not be paying twice. They will not be paying a billion dollars over a week and a half, as the member would like to say. These are preposterous distortions that are in effect going to come back and land squarely on that member.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Cardston-Taber-Warner.

Electricity Deregulation (continued)

Dr. Pannu: Thank you, Mr. Speaker. Albertans don't want minor tinkering with the Tory deregulated electricity system, that is rotten from the ground up, nor do they want a phony review designed to buy time for the government and distract attention from the shockingly high bills consumers are paying. The Tory solution to all of this is to add two Tory MLAs to an existing council. My questions are to the Premier. Why won't this council have the authority to fully examine deregulation and the possibility of a return to a regulated market?

Mr. Klein: Mr. Speaker, there is nothing stopping this committee from making those recommendations, but I doubt very much if they would be adopted, because it is the policy of this government, supported by the Liberals at least through legislation, to head down the path of deregulation, and we're well into deregulation. As I said in my media scrum yesterday, there are some bumps along the road. We want to smooth out those bumps. Whenever you try something new, there are going to be bumps.

2:00

You know, Mr. Speaker, this government has always prided itself on having the courage to try something differently. Unlike the Liberals both provincially and federally we are not stuck in the box, and we don't think that the way to solve all problems is to simply throw money at them. We like to think things through. I often allude to 1993-1994, when it was deemed unconventional or, indeed, un-Canadian for provinces to operate without a deficit. The Liberals were screaming at that time, "Oh, you can't do government that way." My God, they were organizing protests and everything else. "You've got to have deficits. That's the Canadian way."

Dr. Nicol: Point of order, Mr. Speaker.

Mr. Klein: Well, we eliminated the deficit, Mr. Speaker. We got this province on the road to financial prosperity because we were prepared to think differently.

The Speaker: There was a point of order raised by the Leader of the Official Opposition during that last exchange, and I would ask that the Premier remain for the point of order.

The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. Given that jurisdictions like California have moved away from deregulation, why does the Premier stubbornly cling to a policy that will cost consumers billions and has driven Alberta to have the highest cost power in the country?

Mr. Klein: Mr. Speaker, I'm sorry. I wasn't addressing the Liberals. I was addressing the NDs. It was the NDs that were doing it, not the Liberals, I think.

Dr. Nicol: I withdraw my point of order.

Mr. Klein: It was the NDs because it was certainly ND and socialist thinking that you have to borrow, borrow, borrow, and borrow more – right? – to sustain government spending.

Mr. Speaker, I forgot what the question was.

The Speaker: As I understand what transpired there, the Leader of the Official Opposition has now withdrawn his point of order.

Dr. Nicol: Yes, Mr. Speaker. He clarified the accusation as being against the NDs and not the Liberals. It's not a point of order.

The Speaker: This is rather unusual, but we'll go on to the leader of the third party for his third question.

Dr. Pannu: Mr. Speaker, my second question is gone? I'm surprised. Why am I getting punished for it?

The Speaker: Well, considering it's Thursday, hon. member, please proceed with your second question.

Dr. Pannu: Oh, thank you, Mr. Speaker. Given that jurisdictions like California have moved away from deregulation, why does this Premier stubbornly cling to a policy that has cost consumers billions already and driven Alberta to have the highest cost power in the country?

Mr. Klein: Mr. Speaker, I'll have the hon. Minister of Energy supplement, but as I explained to previous questioners, the main reason we went to a deregulated environment is to provide consumers with more choices but, more importantly, to ensure that we get needed generation onstream, and that indeed has happened.

I'll have the hon. minister supplement.

Mr. Smith: Mr. Speaker, the member continues to distort, so let's just put it in perspective. The Aquila/EPCOR network is the area that he's talking about. If he'd looked at the ATCO network, he would find that those prices after deregulation were in fact lower than what they were before deregulation. In fact, if he looks at Enmax and EPCOR, he'll find minor changes.

Now, if he talks about the California example, Mr. Speaker, he'll find that California has a hundred billion dollar budget with a \$35 billion deficit. That's socialist heaven. If you look at Ontario, they took a \$38 billion debt, froze electricity prices, and what happened six months later? They added another billion dollars to that \$38 billion. That's good socialist thinking.

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. My last question to the Premier: given that it was this Tory government who gave us deregulation and high-cost power, how does the Premier expect his advisory council to be believed by Albertans that Tories will investigate themselves fully anyway?

Mr. Klein: Mr. Speaker, I take great exception to the allegation that these individuals are Tory hacks, so to speak. Len Bolger is the chair, a well-respected individual who's connected to the Alberta Research Council and ASRA; Dan Astner, the Alberta Federation of Rural Electrification Associations; Jim Beckett, representing an investor-owned utility; Fred Gallagher, a small independent power producer; Jack Hayden, the president of the Alberta Association of Municipal Districts and Counties; Robert Hemstock, a retailer; Karl Johansson, a large independent power producer; Jack Joys, the Alberta district Direct Connect Consumer Association; Albert Klapstein, yes, the MLA for Leduc and a special appointee and, I'll say, a very, very strong and committed advocate for the consumers in his constituency; Rick Kline, no relation, Independent Power Producers Society of Alberta; John McGowan, Alberta Urban Municipalities Association; Dale McMaster, Alberta independent system operator; Norman Mills, a large industrial consumer; Robert Nicolay, a municipally owned utility; Stan Schellenberger, a public member; Mike Smyth, a public member; George VanderBurg, again another committed MLA representing not only his own constituents but, indeed, the people of this province; and Jim Wachowich, who, by the way, has been highly critical of government policy, representing the Consumers' Association of Canada. That is the list. I can't think of a broader and more representative section of Alberta society than these people listed previously.

Speaker's Ruling Referring to a Member by Name

The Speaker: Hon. Government House Leader, would you kindly advise the members of your caucus what the rules are with respect to names and the use of names in the Assembly.

The hon. Minister of Economic Development has advised me in written form that his speech writer will be fired later this afternoon, and perhaps there's some advice there for others as well.

The hon. Member for Cardston-Taber-Warner, followed by the hon. Member for Edmonton-Riverview.

Agricultural Industry

Mr. Jacobs: Thank you, Mr. Speaker. Many of my constituents are curious about the agricultural industry's potential goal of \$20 billion in value added and \$10 billion in primary production by 2010. My first question is for the Minister of Agriculture, Food and Rural Development. Given that Alberta is still recovering from the worst drought in recorded history, what steps are we taking to help the industry meet this goal?

Mrs. McClellan: Mr. Speaker, it is true that Alberta endured the worst drought in recorded history last year, but it's also true that agriculture has played an important role, does play an important role, and will continue to play an important role in this province's prosperity. Unquestionably, things are looking brighter – at least they will when the sun comes out – with the moisture we have had over much of the province, although I would say that there are still some areas of concern.

Mr. Speaker, we are fortunate to have had a review of the agriculture system in this province through the ag summit. We are fortunate that industry leaders have taken a leadership role in

providing us with recommendations for growth in this province. We are fortunate that we have a very, very positive relationship with the Ministry of Economic Development, which will sell the products that our Alberta entrepreneurs produce, and we are fortunate with initiatives like the incubator program at the Leduc processing centre, which will assist our entrepreneurs to produce that high-quality, much-sought-after food product and get it out into world markets.

The Speaker: The hon. member.

Mr. Jacobs: Thank you, Mr. Speaker. My first supplemental, also for the minister of agriculture: in light of the agricultural industry's production goals, what is the minister doing to ensure that Alberta's economy is not negatively impacted by Alberta's unpredictable water supply, especially in southern Alberta?

2:10

Mrs. McClellan: Well, Mr. Speaker, certainly, my colleague has hit on a very key point: Alberta's quality of life and, in fact, life itself depend on having a healthy and sustainable water supply. The hon. Minister of Environment has embarked over the last year on a consultation process with Albertans on a water strategy for our province. We have a history of exceptional water management, both on managing the supply of water and the quality of that water, but I think it is clear that today with demands on our system we have to manage our water on a watershed-by-watershed basis. I think the review, the consultation that will continue under that process that the minister has outlined, is imperative. I encourage all Albertans, whether they be commercial, domestic, or recreational users of water, to be involved in that. It is probably the most important initiative that this government could undertake with Alberta sitting on the largest supply of fresh water, indeed, in North America.

The Speaker: The hon. member.

Mr. Jacobs: Thank you, Mr. Speaker. My final question is to the Minister of Energy. Given that Alberta producers are subject to the volatility of energy prices, what can they do to manage the cost of electricity and natural gas?

The Speaker: Hon. minister, we're talking about a lot of opinions here now.

Mr. Smith: Well, Mr. Speaker, let me just say, then, that our agricultural community in Alberta understands how commodities work better than anybody else in the province. They deal with it every day. They're subject to the commodities price swings, and they know that natural gas is a commodity, in fact, which is produced on much of their land, that is subject to price swings, as is electricity. They are in contact with their utility companies. They're watching the marketplace as it unfolds. They are going to have more choices, more options about leveling their costs, about being able to buy hedged power, and about being able to take control of the price of the commodities of natural gas and electricity.

Holy Cross Hospital

Dr. Taft: Mr. Speaker, the Liberal opposition has learned that a building once recommended for demolition at Calgary's Holy Cross hospital will now be leased to the Alberta Cancer Board. As the Premier knows, the Holy Cross was sold to a company owned by well-connected Tories for one-quarter of its value just a few years ago. That company is now facing several charges in court for endangering workers' safety through asbestos contamination. To the

Premier: how does the Premier justify the Alberta Cancer Board doing business with a company that is in court for exposing workers to a cancer-causing agent as dangerous as asbestos?

Mr. Klein: Mr. Speaker, first of all, one has to assume and, indeed, one has to take for granted that the people who are responsible for the administration of the Cancer Board, particularly the board, are intelligent, good-thinking people, and the last thing that they would do would be to put in danger the lives of those who are already in some danger through disease. So they're acting in the best interests of the patients. They're acting in the best interests of the taxpayer, and if the deal is a good deal, I would assume that the Cancer Board made the deal on the basis of what is good for the patient and what is good for the taxpayer.

Dr. Taft: Given that this same individual who chaired the disposition committee that sold the Holy Cross is now a director of the Cancer Board, that is leasing it back, will the Premier ask that this deal be suspended until a full, independent review is done?

Mr. Klein: No, Mr. Speaker. We don't get involved in the business of the Cancer Board. If the hon. member wants to go back to former members, there's a sitting MLA who is a former member of the disposition committee. When the disposition was made, it was made on the basis of the best business case being made. This has been thoroughly investigated, and there was deemed to be absolutely nothing wrong. Everything was totally aboveboard relative to the disposition of that site. The only person who for some reason, perhaps political, is making a fuss over this is the hon. Member for Edmonton-Riverview.

Dr. Taft: Given that the Calgary health region disposition committee assigned zero value to the specific space in question when it was sold – they gave it away – will the Premier finally admit that the sale of the Holy Cross was nothing less than a rip-off of the Alberta taxpayers?

Mr. Klein: Of course it was not a rip-off – was not, and I underline and stress “not” – for the Alberta taxpayers. Mr. Speaker, as the hon. member pointed out, this hospital, this site, was earmarked for demolition. Now it is a fully active site. As I understand, there is an adjunct campus for Mount Royal College to study certain aspects of medicine. There is a long-term care centre at the site. There is a wonderful library for alternative medicine at the site. There is an ophthalmology clinic. I believe there are numerous other medical clinics at the site. The site is being fully utilized. Now with this deal that apparently was made between the Holy Cross Centre and the Cancer Board, there will be even further utilization of this site.

Casino Wait Lists

Mr. Lougheed: Mr. Speaker, a group from Strathcona county who would like to do some fund-raising by working a casino are very frustrated by the three-year wait that exists at the St. Albert casino. They're very frustrated, of course, and they have questions that they would like me to ask of the Minister of Gaming. How come the wait list is so long for the St. Albert casino?

Mr. Stevens: Mr. Speaker, as you know, in Alberta we have a unique charitable gaming model which allows charities and not-for-profit groups to make application to the Alberta Gaming and Liquor Commission for a licence to run casinos. Generally speaking, those groups which receive licences are allocated to a casino within their

area. In the case of Strathcona county, as we know, there is no casino, and as such they are allocated to the closest casino, which in this particular case is one located in St. Albert, which is designated as a rural casino. That allows for the least travel time for those groups. The casinos located in Edmonton are available for the not-for-profit groups that are licensed within Edmonton proper and also for the provincial groups that offer services throughout the province.

Mr. Lougheed: Well, Mr. Speaker, then the question that I would like to ask: would the boundaries be adjusted so that Strathcona county groups could be allowed to go into the Edmonton region, or as new casinos are being added, will we see those boundaries adjusted?

Mr. Stevens: Mr. Speaker, I'm glad that the hon. member has mentioned new casinos. As of March of 2002 we lifted the moratorium with respect to the expansion of gaming within the province. Since that point in time several expressions of interest in or around the Edmonton area and also in the central Alberta area with respect to new casinos have come forward. If some of those receive ultimately a licence to operate a casino, there's no doubt that that will offer some assistance to those who are waiting.

The fact is that the reason there are waiting lists is that each day the AGLC receives approximately five new applications for licences, and there are far more applicants who are seeking licences to operate casinos than there are available within a given year.

2:20

The Speaker: The hon. member.

Mr. Lougheed: Thank you, Mr. Speaker. Again to the same minister: could he let us know how long the wait lists are in other casinos around the province as compared to the St. Albert casino?

The Speaker: The hon. minister.

Mr. Stevens: Thank you, Mr. Speaker. At this point in time in Calgary the wait list is approximately 21 months, in Edmonton 24 months. In Red Deer it's somewhere in the vicinity of 21 to 24 months. Lethbridge is about 27 months. So in all areas throughout the province the wait lists have been going up, once again, as a result of growing interest by charities. I can say that the AGLC, in considering new applications, will be looking at wait lists in the areas in question as one of the important considerations with respect to new casinos.

There is some positive with respect to this wait list for the charitable groups. In 1995 slot machines were added to the casino mix. As a result, the take by the charitable groups has increased. In 1994-95 the aggregate amount for the charitable groups was some \$19 million, whereas today it's \$114 million. That would mean that over that eight-year period the charitable groups who run two-day casinos will be receiving today as opposed to '95 approximately twice as much.

Edson Schools Amalgamation

Dr. Nicol: Mr. Speaker, this afternoon's constituency question comes from the parents in the town of Edson. These parents are concerned that the school planning process in both the public and separate school systems has been disruptive to their children and has gone ahead without proper consultation. To the Minister of Infrastructure: why weren't parents consulted before this minister ordered the transfer of Jubilee junior high from the public to the separate school system?

Mr. Lund: Mr. Speaker, when it comes to the closure of schools, the school board has the authority. The situation in Edson was one where if you looked at the overall school population, if you looked at the capacity in the schools within the town of Edson, there was enough capacity to handle all the students in the town. The problem was that there was overcapacity in the public system and not enough capacity within the separate system. The public school board passed a resolution that they would close Jubilee school. We do not get involved in the issue of whether in fact a school board is going to close a school. In this particular case, when they decided that they were going to close the school, it just made all the sense that we in fact would then allow the separate board, who incidentally was running in excess of 110 percent in their current facility, to take over Jubilee, and that would accommodate their needs.

Dr. Nicol: To the Minister of Learning: does the government have a long-term plan for the students at A.H. Dakin school who are still using a facility that was officially closed two years ago?

The Speaker: The hon. minister.

Dr. Oberg: Well, thank you, Mr. Speaker. What happened in Edson and Hinton was essentially an amalgamation between the public and the private systems. What we saw there was a very difficult situation in Hinton where we had students that probably for the last three or four years were actually being schooled in the ice arena. What the Minister of Infrastructure and I did was take a very careful look at what was happening.

The Minister of Infrastructure is absolutely right. In Edson Jubilee school, I believe it was – and I may or may not be right on the name – was set to be closed by the public board, and there was a new school to be built for the Catholic board. It did not make sense to close one school, on one hand, and build another school, on the other hand. So they were subsequently amalgamated. I understand that there were a lot of misunderstandings in the community over that, but I believe that the majority of it is straightened out. It was done in the best interests of the students of Edson, and we really feel that it will work out in that manner.

The Speaker: To supplement?

Mr. Lund: Yes. Specifically dealing with the A.H. Dakin school, it's true that it was officially closed a couple years ago. It has continued to be used, and now with the situation we will be upgrading and modernizing and expanding Pine Grove and also Parkland high school. A.H. Dakin will stay open until the modernization and expansion have occurred. At that time it will be closed, and the board will dispose of it.

Dr. Nicol: The final question is again to the Minister of Learning. These parents would like to know if the minister and your colleague the Minister of Infrastructure will join them and listen to their concerns before going ahead with further changes to the school; in other words, go out and visit them.

Dr. Oberg: Well, Mr. Speaker, what happened in this particular case was that shortly after the budget was announced, the Minister of Infrastructure and I went to Edson to deal with these issues. We felt that it would be relatively easy because, on the one hand, they were closing the school and, on the other hand, we were stopping construction. We amalgamated the two, and we thought it would be fine.

From my personal point of view, I have no problem in talking to

the people of Edson about what happened. I understand, though, that it has been resolved. Perhaps the Minister of Infrastructure can allay those concerns, but I would have no problems with going up again and talking to them.

Mr. Lund: Well, Mr. Speaker, we have said that we will be prepared to go and meet with a representative of the parent or school councils and make sure that the transition will occur with the least amount of disruption. It's always the situation when a school is closed that people have some misgivings about it, but I believe that in the overall picture both the operation and maintenance of the public schools will be well served by the plan, and the separate board will now have the capacity to handle their students.

The Speaker: The hon. Member for Wetaskiwin-Camrose, followed by the hon. Member for Edmonton-Ellerslie.

Youth Sport, Fitness, and Recreation Programs

Mr. Johnson: Thank you, Mr. Speaker. Recently there have been a number of articles and reports that show that children are becoming increasingly more obese because they lack the proper amount of physical activity in their daily lives. In fact, many reports state that there's a serious problem in Canada with childhood obesity that needs to be addressed. Becoming involved in sport is a great way for children to not only become active but have a lot of fun at the same time. My questions are to the Minister of Community Development. What steps is the minister taking to get children more involved in sport in this province?

Mr. Zwozdesky: Well, Mr. Speaker, the short answer is that the Department of Community Development works collaboratively with a number of other government departments such as Learning and Children's Services, certainly Health and Wellness, and even Infrastructure on facility capacity expansion. Through those amalgamations and consultations we've developed some specific programs that address specifically what the hon. member is asking.

For example, we have the Ever Active program for young people, which occurs through and with the collaboration of the health department right at the school level. We have the Live Outside the Box campaign and program, which is also focused around younger members of our population. Tomorrow I'll be announcing the launch of the annual Summer Active program at St. Kevin school. I'll be joined by an Edmonton Oiler, who will serve as a great role model, I'm sure, to help promote activities among our youth that are focused around fitness, recreation, and sport.

We also provide a number of funding opportunities through our Alberta Sport, Recreation, Parks & Wildlife Foundation that help enable young people to participate in things like the Alberta Summer Games, the Western Canada Games, the Arctic Games, and so on and so on.

Mr. Johnson: To the same minister: what approaches have been made to the federal government concerning bilateral agreements to develop sport in Alberta?

Mr. Zwozdesky: Mr. Speaker, in fact I have written recently to the Hon. Paul DeVillers, who is the secretary of state in Ottawa responsible for sport, fitness, and recreation programs, and asked that he consider a possible bilateral arrangement, an agreement as it were, between the federal government and the province of Alberta that would help address increasing our programming and our activities for young people primarily and, at the same time, also

would look at some of the underrepresented groups who are for whatever reason not participating to the level we would all like. Young girls, for example, are underrepresented. Indigenous individuals and aboriginal people are underrepresented in our participation levels, as are disadvantaged individuals, as are certain segments of the disability community. That would be very consistent with our national sport policy, the national sport program, which ministers responsible for sport across Canada recently endorsed, and I believe it's also consistent with some of the recommendations that have been put forward by the task force that was planning the Alberta sport plan. So there are a number of things of that nature that we're trying to get going with the federal government, and we are having some success in that regard.

2:30

Mr. Johnson: My final question to the same minister: what are you doing to address the physical activity concerns as referenced in the Mazankowski report?

Mr. Zwozdesky: Well, Mr. Speaker, I think the Mazankowski report and the discussions that ensued after it certainly pointed to the fact that if we could increase participation levels primarily by young individuals at an early age, they would retain those habits perhaps as lifelong habits, and the result would be probably a savings of about \$5 billion to the health care costs that are currently facing Canadians. We only need to increase physical activity by about 10 percent to get there. In the Mazankowski report that section isn't vivid in my mind right at the moment, but I think it focused more on the wellness side and the aspect of getting good habits started earlier.

In fact, from our side, just in the budget that was approved here for Community Development two nights ago, we increased funding for the Alberta Sport, Recreation, Parks & Wildlife Foundation by something like 2 and a half million dollars, for a total budget now of almost \$20 million. As a result of that increase, Mr. Speaker, ongoing programs will be continued, and we'll see a tremendous amount of increased activity.

The Speaker: The hon. Member for Edmonton-Ellerslie, followed by the hon. Member for Edmonton-Highlands, followed by the hon. Member for Calgary-Fort.

Electoral Boundaries

Ms Carlson: Thank you, Mr. Speaker. We will soon see legislation introduced which would make the proposed changes to the electoral boundaries of Alberta permanent. This government claims that they support an independent process in redrawing the electoral boundaries map. However, offers have been put on the table to allow individual pleadings for changes to the boundaries, which potentially could lead to gerrymandering. The hon. Member for Edmonton-Beverly-Clareview stated in his speech on Government Motion 13 that there is "a process in place where we can ask for small changes to our constituencies by applying to the Justice minister." My question is to the Minister of Justice and Attorney General. Where can individual Albertans pick up application forms to apply for these minor changes?

Mr. Hancock: Well, Mr. Speaker, the hon. member knows that no one applies for amendments to a bill in this House, but there are processes whereby in the discussion in committee on any bill that comes before the House members of the House can bring forward amendments. The hon. member would also know, at least I assume that she would know, being a member of a caucus, that before any amendments are brought before the House by an individual member

of a caucus, they would probably discuss them with members of the caucus.

The hon. member would also know that on an informal basis I approached the Liberal caucus and indicated, as I do on all bills before the House, that if they had amendments for bills that they wish to have the government consider during discussion, it is useful to know about them ahead of time. If they would give them to me as House leader, I would make sure that the minister involved with the bill or the sponsor of the bill would consider them and, if prepared to accept them, would bring them to caucus for caucus approval so that they could be appropriately discussed in the House. They rarely avail themselves of that opportunity, but it is an opportunity that's open to them as well as to any other member of the House.

So in specific response to the question about electoral boundaries, all citizens of Alberta know that we debate bills in this House, that we have opportunity in Committee of the Whole for amendment of bills. The electoral boundaries act is a little different than other bills in that the bill that comes before the House comes out of the Electoral Boundaries Commission report, but it's open for amendment in committee, and I as the minister who's responsible for the act have received submissions from many Albertans, certainly from many communities across the province who are concerned about certain aspects of the bill. In response to every single one of those people that have contacted us, we've written back and said that when the bill comes before committee, we'll be considering amendments and will consider their submissions.

Ms Carlson: Mr. Speaker, to the same minister: is there a process where the citizens of Edmonton could apply to have the seat that is being taken away put back?

Mr. Hancock: Well, Mr. Speaker, of course, when we're bringing forward a bill to put in place the boundaries proposed by the Electoral Boundaries Commission and when the House has actually approved the report of the boundaries commission by a resolution of this House, one would assume that amendments that come forward would have to be within the scope and the philosophy of the report. The adding of a seat would require either the amendment of the Electoral Boundaries Commission Act itself to add another seat to the number of seats that we have, in other words taking it up one seat, or would require a very, very significant change to the philosophy of the report that was brought in by the Electoral Boundaries Commission and adopted by a resolution of this House. So it would not fall within the normal scope that one would expect.

Any member of the House, obviously, can bring forward any amendment that they want to bring forward, but it would be hard to see how an amendment to add another seat to Edmonton, as much as I agree with the concept, would be in keeping with the report that the Electoral Boundaries Commission brought in and that this House approved by resolution.

Ms Carlson: Mr. Speaker, will this minister tell the House, then, how many of the agreements with regard to the boundary changes have been made and who they have been made with?

Mr. Hancock: Well, it's for this House to determine whether there's any agreement with amendments that are being brought forward. The process which I have undertaken is to hear from anybody who wants to raise an issue with me as the carrier of the bill and to recommend to caucus when I think the proposed amendment fits within the scope of the Electoral Boundaries Commission report, whether the adjustment meets a test of reuniting communities that perhaps ought not to have been split; whether the shift in population,

if there is a shift in population, leaves the resulting constituencies within the range and scope that the Electoral Boundaries Commission set out for cities, for major urban areas, for urbanized areas, for rural areas; whether the representatives from those constituencies affected would agree with the changes; those sorts of tests to determine whether or not, prior to recommending any amendment to the House, it falls within those scopes.

So there's no agreement with respect to any amendment. There is simply a process whereby towns have written to me as the minister responsible for the bill, where municipalities have written to me with respect to concerns that they have. I've raised those concerns with the respective MLAs, or they've raised them with me, including in fact members of the Liberal caucus. If there is agreement that an amendment could be made which would fall within the scope of the commission's report, I would bring forward those amendments to the House at the appropriate time. That's the process we've followed. The appropriate time has not come yet because the bill itself hasn't been introduced, although I anticipate introducing it today. Certainly, for anyone who has any suggestions with respect to appropriate amendments which would fall within the philosophy and scope of the commission's report as accepted by this House by resolution, I would be happy to make recommendation to the House with respect to amendments of same.

Speaker's Ruling Oral Question Period Practices

The Speaker: That last series of questions was a most unusual series of questions and had absolutely nothing to do with government policy, but as there is leave for notice to introduce a bill on the Order Paper, Bill 42, which has not been introduced yet, the chair decided to allow those three questions to go, not knowing what they would be. But the clarification should be very obvious now to everyone in this Assembly on what the process is.

This is not in the normal course a government bill that will be coming. It will be a bill caused by, in essence, the Constitution of the province of Alberta. This Assembly passed a motion after it had created an independent commission, and the process will be that the bill will be introduced and should follow the results of the motion, and there will be an opportunity, as through the course of any bill, to have amendments brought to the Assembly. It's only coincidentally that the Government House Leader is the minister talking about this particular bill, and there has to be someone from the government to introduce a bill, pending some other alternative solution. So not a normal course to have this series of questions discussed here, but it was good clarification for everyone.

head:

Members' Statements

Multiple Sclerosis Awareness Month

Mrs. Gordon: May is MS Awareness Month. Canada has one of the highest rates of MS in the world, with Alberta having the highest prevalence in all of Canada. Where I live, a neurologist practising in Red Deer estimates that between eight and 10 residents are diagnosed with MS each month. My neurologist in Edmonton, Dr. Mary Lou Myles, estimates that her busy practice is 98 percent MS related.

2:40

Although the cause of MS is unknown, its course unpredictable, and its cure as yet undiscovered, many exciting strides have been made. We now have many exciting new drug therapies that are helping many afflicted with relapsing/remitting MS. The Alberta division, which is part of the MS Society of Canada, has sanctioned

many fund-raising events across Alberta this month and next for fund-raising: bike tours, Super Cities Walk tours, golf tournaments, and of course the annual Carnation Day campaign. The central Alberta chapter is excited and appreciative as once again this year the hon. Minister of Health and Wellness has enthusiastically agreed to participate in their annual bike tour, cycling some 76 kilometres from Lacombe to Sylvan Lake and back again on June 22. Last year he raised over \$2,200. This year's goal is \$3,500.

I would also like to take this opportunity to publicly thank the MS Society of Canada, Alberta division, for presenting me with the 2002 Maureen Allen Social Action award. I am and was truly honoured. MS lives here. Can we count on you?

The Speaker: The hon. Member for Edmonton-Highlands.

Electricity Deregulation

Mr. Mason: Thank you very much, Mr. Speaker. The Conservative government's power deregulation scheme lurches from one disaster to another. The latest turn on this tortured road is the Energy minister's unilateral decision to stick electricity customers with the total cost of new transmission lines instead of the 50-50 split between generators and consumers promised earlier. This is simply the latest in a long list of broken promises and betrayals.

The most pernicious defence of deregulation is that this province has gone too far down the road to turn back. By this logic, if you are driving down the highway right into the path of a semitrailer truck, you should just keep right on motoring along. Why is it that other jurisdictions like California and Texas are able to reverse their disastrous experiments while Alberta cannot? Why should Albertans trust this government when it says that reversing deregulation is too expensive when every other promise made about deregulation has ended up being wrong? Only a truly independent, no-holds-barred public review in which deregulation itself is put on the table can answer the question of why deregulation has failed and how much it will cost to return to sensible regulation.

Adding two Tory backbenchers to an existing committee just doesn't cut it. This rewarmed committee fails the test of independence that the Premier himself acknowledged earlier this week was necessary. This committee will not provide the answers Albertans are seeking on why deregulation has failed. Rather, it is designed to limit the political damage to the Tory government, not the financial damage to Albertans' pocketbooks. The government needs to set clear terms of reference for this so-called review and table them in this House before it adjourns for the summer.

Six months ago, Mr. Speaker, we asked Albertans to send us their power bills before and after deregulation. Many responded. In every case their bill went up sharply, in many cases doubling. We've held several public meetings throughout Alberta and will hold more. The blunt message from these Albertans is clear: we need to pull the plug on deregulation.

Ranking of Schools

Mr. Lougheed: Mr. Speaker, I'm critical of the Fraser Institute and other organizations that rank schools based on the academic performance of students. Ranking schools is one of many ways the focus can shift away from the factors which are really important for student achievement. Academic success is, I believe, a result of three factors: the ability and effort of the student, the support and encouragement of the family, and the skill and commitment of the teacher. When these three factors converge, students will have considerable academic success.

I believe there's more harm than benefit to be found in school

rankings. These rankings speak more about the school's program offerings and management decisions than they do about predicting academic success for prospective students. In fact, even the ranking methodology is subject to criticism. For example, one criterion is the difference between the school-assigned mark and the diploma mark. Since the differences above and below are average for the school, the marks of one teacher who evaluates well above could balance off the marks of another teacher who evaluates below. The result is a good score for the school even though the Fraser Institute criticizes teachers who mark too high or too low relative to diploma exam scores.

Learning can be better served by focusing on what's really important instead of being distracted by school ranking, which tallies up student test scores to see which school attracted the most high achievers. Many other factors do influence student achievement, but class size, homogenous grouping, the physical setting, technology, curriculum fit, and quality of textbooks are lesser determinants of academic achievement than are the student, the family, and the teacher.

Thank you.

Mental Health Week

Dr. Taft: Mr. Speaker, May 5 to 11 is Mental Health Week in Canada. The goal of Mental Health Week is to promote awareness and understanding of the prevalence of mental illness and to combat the shame associated with it. The effects of mental illness are staggering. Approximately one in five Canadians will experience mental illness at some point in their life, and almost every Canadian will be affected by mental illness either through a family member, a friend, or a loved one.

While mental illness costs the Canadian economy \$14.4 billion per year, the cost to our physical health and personal well-being is immeasurable. Being a healthy individual is more than just taking the right medications or eating the right foods. It's also about looking after our spiritual and mental well-being. Nowhere in this country is that a more important lesson than right here in Alberta. According to the Canadian Mental Health Association, Albertans have one of the highest rates of anxiety and depression in the country.

Albertans with mental health problems and mental illnesses need better support and treatment within their own communities. Over the past decade Alberta's mental health services like all health services in our province have suffered from unstable funding and erratic policy leadership. It's time to put things right.

Stable funding and long-term planning need to be restored to mental health services. This should include a community-based system of treatment and support with renewed emphasis on income and employment support, appropriate housing, and adequate crisis response. With better support people with mental illness can lead fuller, happier, and more productive lives.

Thank you.

head:

Presenting Reports by Standing and Special Committees

The Speaker: The hon. Member for Bonnyville-Cold Lake.

Mr. Ducharme: Thank you, Mr. Speaker. As deputy chair of the Select Special Ethics Commissioner and Ombudsman Search Committee I would like to table part 1 of the committee's report recommending the appointment of Mr. Donald M. Hamilton as the Ethics Commissioner for the province of Alberta.

head: **Presenting Petitions**

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I rise to present a petition signed by 178 Albertans petitioning the Legislative Assembly to urge the government to “not delist services, raise health care premiums, introduce user fees or further privatize health care.”

Thank you, Mr. Speaker.

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

Ms Carlson: Thank you, Mr. Speaker. I would like to present a petition as well today. It has over 270 signatures from around Alberta. They are urging the Legislative Assembly of Alberta to urge the government to “immediately withdraw the draft management plan for the Evan-Thomas Provincial Recreation Area and revise it so as to disallow any further commercial or residential development of the Kananaskis Valley.”

head: **Notices of Motions**

The Speaker: The hon. Minister of Community Development.

Mr. Zwozdesky: Thank you, Mr. Speaker. Normally I’d be rising at this time to move a motion of notice regarding questions and motions for returns possibly standing and retaining their places on the Order Paper, but there being none, that motion is not required. I thought I should advise the House of that eventuality nonetheless.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. Pursuant to Standing Order 40 later this afternoon I plan to move to adjourn the ordinary business of the Assembly to deal with the following motion of urgent and pressing necessity.

The Speaker: At this time it’s only important to give notice.

head: **Introduction of Bills**

The Speaker: The hon. Minister of Justice and Attorney General.

Bill 39 Miscellaneous Statutes Amendment Act, 2003

Mr. Hancock: Thank you, Mr. Speaker. I would request leave to introduce a bill being the Miscellaneous Statutes Amendment Act, 2003.

As is normal, Mr. Speaker, with miscellaneous statutes the contents have been circulated to the two opposition caucuses. The contents of the bill reflect only those that have been agreed to by all three caucuses.

[Motion carried; Bill 39 read a first time]

The Speaker: The hon. Minister of Justice and Attorney General.

2:50 Bill 42 Electoral Divisions Act

Mr. Hancock: Thank you, Mr. Speaker. As was of course given a precursor during question period, I request leave to introduce a bill being the Electoral Divisions Act.

Bill 42 encompasses the report of the boundaries commission with

a few sections that are normally in the act, that are standard with respect to all electoral divisions acts, and then the schedule which lists all of the 83 constituencies and boundaries as provided for in the boundaries commission’s report as approved by a motion of this House earlier. I anticipate that during committee there may be amendments brought forward.

[Motion carried; Bill 42 read a first time]

head: **Tabling Returns and Reports**

Mr. Cardinal: Mr. Speaker, I have six copies on the fisheries to table, the appropriate number of copies.

Thank you.

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

Dr. Taft: Yes. Thank you, Mr. Speaker. I rise today to table the appropriate number of copies of a minority report, a dissenting opinion of the special select Standing Committee on Legislative Offices signed by myself and the Member for Edmonton-Centre. It expresses strong concern with the process around that committee.

Thank you.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. With permission I table the appropriate number of copies of four letters that I’ve been asked to table. The first is from Darlene Vinge, who is really upset with the funding for education in the province and the lack of purchasing power that the lack of increases has brought about.

The second letter is from Ruby Stone, who urges the province to do the right thing and fully fund the teachers’ imposed arbitrated settlement.

The third letter is from Brenda Lemoine, asking the Learning department to provide the additional funds to schools to cover the shortfall as a result of the teachers’ arbitrated settlement.

The fourth one is from Victor Dorian, again very concerned about the situation at Westglen school and the cuts that are going to, as he indicates, greatly harm both children and teachers at that school.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I have one tabling. It’s a letter that I received from a constituent of mine dated May 7, 2003, regarding the deregulation of the electricity industry. Like thousands of other Albertans she wishes to convey this message to the Premier: “Deregulation was a mistake. Admit it, correct it, and move on.”

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Speaker. I’m tabling a letter from Mr. Tim Belec of Westrose, Alberta, dated the 7th of May 2003. He says in terms of electrical deregulation: “I feel it is time to cut our losses and re-regulate. Some public services just don’t operate to the public benefit in the free market. Electricity is one of those services.”

The Speaker: The hon. Member for Clover Bar-Fort Saskatchewan.

Mr. Lougheed: Thank you, Mr. Speaker. I’m pleased to table the 2002 annual report of the Premier’s Council on the Status of Persons with Disabilities.

head: **Tablings to the Clerk**

The Clerk: I wish to advise the House that the following document was deposited with the office of the Clerk. The hon. Mr. Cardinal, Minister of Sustainable Resource Development, returned to order of the Assembly MR 5 requested by Ms Carlson on March 10, 2003.

head: **Projected Government Business**

The Speaker: The Official Opposition House Leader.

Ms Carlson: Thank you, Mr. Speaker. At this time I would ask the Deputy Government House Leader if he would share next week's projected business with us.

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwodzesky: Thank you, Mr. Speaker. I'd be very happy to do that. We are projecting the following government business for the week of May 12 to May 15. On Monday afternoon we will be dealing with the private members' business, of course, and should there be any written questions and motions for returns, followed by Public Bills and Orders Other than Government Bills and Orders. In the evening on Monday we will deal with Motions Other than Government Motions, unless otherwise agreed to, followed by Committee of Supply, who will consider Aboriginal Affairs. Then we will revert to Introduction of Bills and introduce Bill 40, which would be an appropriation or main estimates act, followed by second reading of Bill 42, Electoral Divisions Act, followed by third reading of the following: Bill 18, Energy Statutes Amendment Act; Bill 20, Alberta Municipal Financing Corporation Amendment Act, 2003; Bill 25, Class Proceedings Act; Bill 26, Corrections Amendment Act, 2003; Bill 28, Freedom of Information and Protection of Privacy Amendment Act, 2003; Bill 29, Law of Property Amendment Act, 2003; Bill 31, Local Authorities Election Amendment Act, 2003; Bill 34, Livestock Industry Diversification Amendment Act, 2003; Bill 35, Tobacco Tax Amendment Act, 2003; and otherwise as per the Order Paper.

On Tuesday, May 13, 2003, in the afternoon we will deal with Government Bills and Orders and Private Bills in third reading as follows: Bill Pr. 1, Sisters of St. Joseph of the Province of Alberta Statutes Repeal Act, and Bill Pr. 2, Forest Lawn Bible College Act. Under second reading we will deal with Bill 39, Miscellaneous Statutes Amendment Act, 2003, and Bill 40, Appropriation Act, 2003. Under Committee of the Whole we will do Bill 42, Electoral Divisions Act, followed by third reading of bills 18, 20, 25, 26, 28, 29, 31, 34, and 35, and otherwise as per the Order Paper. On Tuesday evening we'll deal with Government Bills and Orders and Government Motion 20, which would be concurrence in the Legislative Office's report regarding the Ethics Commissioner appointment, then second reading of Bill 40 and Committee of the Whole on bills 39 and 42, followed by third reading of bills 18, 20, 25, 26, 28, 29, 31, 34, and 35, and otherwise as per the Order Paper.

On Wednesday, May 14, in the afternoon under Government Bills and Orders we will do third reading of Bill 39 and Bill 42 and as per progress that likely will be made on Tuesday and as per the Order Paper. On Wednesday, May 14, in the evening we'll proceed with Government Bills and Orders under Committee of the Whole Bill 40 and third reading of Bill 39 and Bill 42 and again depending on the progress from the afternoon preceding that. We will also deal with Government Motions.

On Thursday, May 15, in the afternoon we will deal with Government Bills and Orders including third reading of Bill 40 and also Government Motions.

I believe that concludes our projected and estimated business for the following week.

The Speaker: The chair must admit that he was getting rather tired just listening to this work schedule for the next several days. Hon. members might like to know that you have already spent more hours in this Legislative Assembly in the year 2003 than you did in the spring session of 2002. So you will be adding significantly more according to this very enriched schedule.

Might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**
(*reversion*)

The Speaker: The hon. Member for Lacombe-Stettler.

Mrs. Gordon: Thank you, Mr. Speaker. I would like to introduce to you and through you to members of this Assembly some guests that are seated in the public gallery. These ladies are representatives of the Multiple Sclerosis Society of Canada, Alberta division. Today they are here with their carnations, and I wish to thank them. Carnation Day is an annual event, and it does raise significant dollars that go towards MS, and we hope someday those dollars raised could well blossom into a cure. Earlier today they met with the hon. Minister of Health and Wellness. I would like to introduce them. Wanda Dannelly is the director of public relations and social action; Adeline Blumer, director of client services; and Suzanne Deschamps is from Bonnyville and will be biking in the bike tour coming up in June. She told me earlier that thus far she's raised \$10,000. So thank you very much, ladies. Would you please give them warm welcome of the Assembly.

3:00

The Speaker: Hon. members, the point of order raised today by the Leader of the Official Opposition was withdrawn, so that covers that matter.

Admonishment was given to violators of our often-violated rule about naming people. That admonition was given to the Minister of Economic Development, and advice was given to the Government House Leader with respect to conveying this message of the rule to other members of his caucus.

head: **Motions under Standing Order 40**

The Speaker: So now we're left with only one application. That's the hon. Member for Edmonton-Highlands on a Standing Order 40 application.

Electricity Deregulation

Mr. Mason:

Be it resolved that the Legislative Assembly urge the government to conduct an immediate and thorough public review entirely independent of government and industry into the failure of electricity deregulation to deliver fair and reasonable electricity rates for individuals, farms, businesses, municipalities, and public institutions.

Mr. Mason: Yes, please, Mr. Speaker. Thank you very much. I understand that I may make a few brief comments relative to the urgency of this matter, which with your permission I'll now begin to do. This is urgent both in the sense that it is vitally critical for Albertans and that it is time sensitive.

Let me deal first with the importance of this issue. Electricity deregulation has become one of the most expensive boondoggles in Alberta's history. Estimates of what it has cost Albertans range from between \$5 billion to \$10 billion. Mr. Speaker, this will continue to cost Albertans individually hundreds and thousands of dollars for their homes and businesses, and it is urgent that this Assembly deal with this quickly and before it adjourns for the summer recess. Given the government's actions today and the announcement of the review, it is clear that it will not meet the test set out in the motion.

Mr. Speaker, it's very important that this review be both independent of the government and of industry and that it deal with the root causes of the problem of high electricity prices, and that is deregulation itself. What the government has put forward today does neither, and therefore it is urgent and pressing that this Assembly deal with this matter this afternoon.

Thank you, Mr. Speaker.

The Speaker: Well, I want to congratulate the hon. member for succinctly following the description of the word "brief." That is very helpful. Approximately a minute to a minute and a half. That's very commendable.

Now, this application requires unanimous consent of the Assembly.

[Unanimous consent denied]

head: **Orders of the Day**
head: **Committee of Supply**

[Mr. Tannas in the chair]

The Chair: I wish to call the Committee of Supply to order. First, I would like to recognize the hon. Member for Edmonton-Centre before we begin the actual discussions.

Ms Blakeman: Thank you very much, Mr. Chairman. I'd like to clarify my remarks during debate in Committee of Supply for the estimates of Community Development on Tuesday evening, May 6, 2003. The event I was trying to remember was the 2001 World Championships in Athletics, and the reference for that is on page 1476 of *Hansard*.*

Thank you for the opportunity to clarify.

head: **Main Estimates 2003-04**
Sustainable Resource Development

The Chair: Are there any comments or questions with respect to these estimates? The hon. minister.

Mr. Cardinal: Thank you very much, Mr. Chairman. I'm pleased to be here today to talk to you about Sustainable Resource Development's 2003-2004 budget. Before I start, I'd like to introduce some of the staff that are sitting in the members' gallery: Dr. Bob Fessenden, our deputy minister; Crystal Damer, executive assistant to the deputy minister; Ray Duffy, director of budgets, forecasts, and financial statements; Daphne Cheel, executive director of policy and planning; Donna Babchishin, director of communications; Susan McManus, assistant director of communications; and Donna Ballard, my executive assistant.

I'd like to take one moment before I get to the details of the budget just to thank the staff for all the hard work they do throughout the year. I'm not that easy to work with, I know. I have a policy that has a 24-hour return on most of the stuff that comes through my

office. So if anyone ever tells you that it's at the minister's office, it's not true. It might be at the deputy's office or the ADM's but not the minister's. So keep that in mind. They do a heck of a job.

At Sustainable Resource Development, Mr. Chairman, our job is to ensure that Alberta's natural resources are sustainable for future generations. There are a number of economic, recreational, cultural, and social activities on our public lands, and through the hard work of department staff, of course, we maintain a balance between activity and conservation.

We have a variety of programs and services in our ministry, and there are basically five core businesses: one is, of course, a very important one, forest protection; forest land and resource management; fish and wildlife management; rangeland management; and land use disposition management. As well as the Department of Sustainable Resource Development our ministry also includes the Natural Resources Conservation Board and the Surface Rights Board and the Land Compensation Board.

At SRD our job is to ensure that Albertans benefit from the development of their public lands and renewable resources both now and for the future. The work our ministry does in a changing and growing Alberta is so very important, and indeed Alberta is a very quickly growing province. For instance, since 1991 our population has increased by about a half million people. Now we have a population of more than 3 million in Alberta. So, of course, there is a need for increased services for Albertans.

Increasing population means more Albertans require more of our services and are using the resources that are in the ministry's management. For example, 98,000 hunters participated in the 2002 hunting season, about the same as in 2001. These hunters bought more than 250,000 different licences. There were about 217,522 sportfishing licences sold for the 2002 angling season. Currently there are about 565,000 active wildlife identification number cardholders. These are the WIN numbers. This is about 58,000 more than at this time in 2002.

3:10

This increased interest, of course, by Albertans in recreational hunting and fishing is very positive for our province. However, we need to have the proper system in place to deal with these increases, and this means that our staff and ministry need to have the resources to do this. Therefore, we are pleased that this year's budget remains stable and that we will continue to have the necessary staffing and monitoring programs in place to take care of our fish and wildlife resources.

Another area where we have seen a great increase is in the number of land dispositions provided by our public lands division. For instance, during last year's fiscal period over 176,000 dispositions were provided by this division for agriculture and industrial dispositions. This is quite a large number and speaks to the volume of work that our ministry is able to turn around on a daily basis.

Another highlight in delivering increased services to Albertans is the Natural Resources Conservation Board. The year 2002 was very busy for the Natural Resources Conservation Board, the first year it assumed responsibility for regulating confined feeding operations. Business conducted in 2003 so far indicates that the board will also be busy in 2003.

In 2002, its first year of responding to complaints related to livestock operations, the NRCB received a total of 981 complaints relating to 431 separate operations throughout the province. NRCB inspectors issued a total of 36 enforcement orders, and an additional 122 operators received a verbal directive, a warning letter, or notice of noncompliance. In 2002 the NRCB received 169 applications for confined feeding operations or manure storage management

*See p. 1476, left col., para. 2, line 13

facilities. It issued a total of 70 decisions, that included 60 approvals and 10 denials. The board is awaiting additional technical information on another 67 of the applications received in 2002. Overall, the number of complaints the NRCB received during the first three months of 2003 was up 30 percent over the same period in 2002. So you can see, Mr. Chairman, that the additional \$2 million we are providing to the NRCB this year in their budget will ensure that they can fulfill their mandate to Albertans.

The last area I wish to speak about in terms of increased services to Albertans is certainly in the forest protection area. As all members here today know, we have had a very busy fire season the last number of years. In fact, just to give you context of what we consider busy, we had over 1,450 fires last year and wildfires threatened over seven communities and forced the evacuation of thousands of Albertans. Most people don't know that 40 percent of fires in this province are human caused and that the rest are from lightning. We need to get this number down, and we're committed to doing that through our work in the community and through public education processes.

Industrial, residential, and recreational demands are also increasing on Alberta's lands and resources. We are working with Albertans to find the right balance between economy, environment, and the community. We consult extensively with Albertans about issues affecting natural resources. Consultations continue to be critical in our work to manage Alberta's fish and wildlife, for example through the Endangered Species Conservation Committee and groups such as the conifer management group in west-central Alberta. We've involved stakeholders recently in three very successful recovery efforts of piping plover, swift fox, and the western blue flag.

We consult Albertans regularly on things such as allocation and fisheries management. This contributes to our important work on species at risk as well as our management objective of our other species. Many of you are aware, for example, of the province's excellent work on the new recovery team for grizzly bear management.

In the area of public lands we have held consultations to develop access management plans for the Bighorn backcountry. We are currently asking for public input on plans for the Ghost-Waiparous area located just northwest of Cochrane, an area of about 1,500 square kilometres, just one and a half kilometres outside of Calgary. So there's a lot of pressure for the area. The Ghost-Waiparous access management plan will provide government-approved direction for recreational off-highway vehicle use as well as other uses. We will be working with stakeholders and Albertans to achieve a balance that protects the environment and provides opportunities for recreational uses in the area.

As another example we continue to work with the industry to integrate planning and reduce impacts. Industry is responding favourably as shown by more joint planning and partnering agreements. A monitoring process is also being established to ensure that local involvement in future decisions about the trails and the backcountry happen.

It is no secret that Alberta's forest sector is also facing some very serious challenges. The current softwood lumber dispute, of course, with the United States is having a significant negative impact on our forestry here in Alberta. Industry and government have been very busy working on allocating the financial resources that are necessary to defend forestry practices here in Alberta. At the same time the industry has had to deal with near record low commodity prices. These factors have let uncertainties and doubts into the marketplace. These issues make it more important than ever that government and industry work together as a team to address today's challenges and to look at the future.

During this challenging period I am proud of the leadership that the Alberta Forest Products Association and the Alberta forest industry continue to show. Despite these challenges this industry continues to show their commitment to innovation. They have introduced new technologies and leading-edge practices that allow them to do their job more effectively, efficiently, and with concern and sensitivity for the environment and wildlife. The forest sector truly shares the concern of Albertans that our forests are sustainable.

Through this period the forest sector continues to play an important part in diversification of our province and the prosperity that all Albertans enjoy. Forestry is more than trees. It's about people. It's about the nearly 54,000 jobs that forestry creates in Alberta. It's about the more than 45 communities in Alberta that depend on forestry as their primary industry, and it's \$8.4 billion revenue for the province.

A healthy forest is critical to our future for the environment and the economy. Our department realizes that there are many challenges to be faced, but thanks to our careful planning and the dedication of our staff we are prepared to meet these challenges.

Our total budget remains quite stable this year, close to \$192 million, which is up by \$8.5 million from last year. The increases are quite simple. We need to put funding in those areas that need additional support. For instance, I spoke earlier of the \$2 million increase to deal with heavier demands being placed on the NRCB. As well, an additional \$2.2 million will be for existing staffing and the cost pressures there. The majority of other funding will be spread through the ministry to support other key service areas and programs that Albertans expect us to deliver.

Again, Mr. Chairman, I would like to thank all of you for your attention here today, and I will be open for questions now.

3:20

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

Ms Carlson: Thank you, Mr. Chairman. Thank you to the minister. I'd also like to thank the staff that joins us here today and the rest of the staff in the department. They are immensely helpful when I have questions. We don't always agree on the direction that the ministry should take, but then we don't agree on the name. Sustainable Resource Development in my mind should be just sustainable resources. That leads us down a path of different opinions on some issues, but it is very helpful to have the frank and open discussion that we have and the many briefings that are available to us through the minister with this department. So I thank them all for that.

I also would like to acknowledge that this department offered to brief us on the budget, and we just didn't have enough time this week to get there. So perhaps we can organize that next year. That would be great.

I'd just like to put on the record in advance that if we don't get through all of our questions, we'll submit them in writing and ask for those back.

For my first questions I'd just like to deal with a couple of issues. The first one is the grizzly bears. Mr. Minister, in your comments you talked about a recovery plan for the grizzlies. There's been lots of pressure to put them on the endangered species list at some level. Can you talk about why you are resistant to that idea and what is actually happening with the recovery plan?

The Chair: The hon. minister.

Mr. Cardinal: Yes, Mr. Chairman. You know, we had formed the committee to look at that specifically and develop a recovery plan. Of course, the other thing that I've changed in that particular area is

reduced, in fact, the hunting of the grizzly bear to a manageable size. You know, we reduced the number hunted here in Alberta by 20 percent, I believe. When you look at the map of the hunting areas, zone 1, zone 2A, 2B, 3A, 3B, 4A, 4B, 4C, 6, and 7, in some of those areas, like 6 and 7, we've reduced considerably the number hunted because there's added pressure in those particular areas.

You know, when you look at the number of licences provided to hunt grizzly bear, we've reduced from 129 to 101 in 2002 and also changed where the hunting will take place. Only about 15 are taken out each year. On the other hand, you know, you look at the government next door to us. B.C. actually in this year is allowing the hunt of 200 to 250. So, you know, when you look at both B.C. and Alberta, there's only a boundary not noticeable by grizzly bears, so they could move around.

I think what we're doing is probably reasonable at this time. I think we've done a lot of work in grizzly bear management, research, monitoring, and monitoring the problem bears also. Our grizzly bear management objective in Alberta is to maintain a healthy grizzly bear population, following up, of course, on the recommendations the member mentioned of the Endangered Species Conservation Committee. Alberta took immediate actions and steps to deal with the issue, and I mentioned earlier that at my request the department established the recovery team to evaluate the current grizzly bear management and identify areas for improvement as well as a technical committee. I have also requested that the department look at options for increasing poaching fines, for an example, for poaching grizzly bears because that is a concern, so we're definitely looking at that.

This year, again, I said that we restricted grizzly bear hunting in fact even further especially to protect the adult female population in some areas. The Endangered Species Conservation Committee believes that Alberta's grizzly bear population is fairly stable. Our data reports that information even with the current mortalities. The committee also identified that the current regulated hunt is not a primary concern for the mortality of the grizzly bear.

Habitat issues will likely be the greater concern for the future well-being of the grizzly bear in Alberta. We have a challenge, Mr. Chairman, you know, to always keep the balance because a grizzly bear is definitely not a friendly animal. One of the things we find is that more and more animals are becoming urbanized, and they start to go into towns and communities and also parks where there are a lot of people. There always seems to be a conflict either between a grizzly bear, especially, but also the black bear, the elk, the deer, the cougar, and the coyotes and the wolves, so there is always the challenge of ensuring that these wild animals remain wild. To have some form of a hunting season, I believe, maybe keeps the animals healthier than not to hunt them at all because, really, a grizzly bear does not fit into a town or a hamlet setting. They're not a safe animal. On the other hand, they have their environment that sometimes we interfere with, so it's a challenge.

Definitely, that is a very good question; it's a very important one. As a government we will continue working very hard to ensure that we try and recover the population. After this year's hunt again we'll review the targeted hunting areas and make the necessary adjustments that are required so that we can ensure that the population of the grizzly bear is sustained, at the same time keeping the balance between keeping the animals wild and protected, and of course the protection of people is also important. If you do walk into a grizzly bear if you're out hiking or out hunting or out on your trapline, in most cases it's either you or the grizzly bear. There are no ifs or buts. They're a little different animal than the black bear or the cougar. A grizzly bear will actually hunt out a person that's out there, so we have to be very, very careful in how we manage that in the future. There has to always be a balance.

Ms Carlson: To follow up on this line of thought, Mr. Minister, we've had some concerns from the southwest foothill regions that they're seeing greater numbers of predators, particularly wolves and coyotes, and that they're concerned that this is going to cause or is currently causing a decrease in elk and deer and other animals that outfitters normally would hunt. So can you comment on that? Are you doing any studies? Are you hearing those concerns as well, and do you have any plans to deal with this issue?

3:30

Mr. Cardinal: That's another very good question that ties in quite a bit with the first question. Definitely we have been informed of that, and we are dealing with it. The problem we have here is of course to ensure that we do proper monitoring, that we're not off when we monitor the actual numbers of wolves, for an example, and other animal species, that we keep that balance. That's how our allocation is done in most cases for hunting – you know, the bear, hunting the wolves, and also elk – is monitoring the population and trying to determine, keeping a healthy balance and a healthy growth of animals and at the same time reducing the populations of certain species where it is required to keep that balance. It's a challenge, but we need more work on that on a constant basis. It's a good question.

Ms Carlson: Mr. Chairman, I'd now like to speak about invasive species for a moment if we can. We know that there's the ongoing problem with the beetle infestation in the forests between the B.C. and Alberta borders. What's the status of that right now? How is it being managed? Does it look like it's going to be controllable? In addition to that, what other species are you looking at as being invasive, particularly with regard to our forests, for this coming year?

The Chair: The hon. minister.

Mr. Cardinal: Thank you very much. The mountain pine beetle infestation is an important forest management issue for Alberta, like B.C. B.C. has I think a serious problem in some areas. You know, this problem will potentially cost the province millions of dollars, affecting potentially the sustainability of our forests. I believe that in British Columbia, from what I understand, it's already cost over \$9 billion in damages to the provincial economy. So it is serious. It's right next door to us. Pine forests in Alberta are getting older and are vulnerable to mountain pine beetle outbreaks. Banff national park is currently experiencing a mountain pine beetle outbreak, and the department will continue to work closely with forest companies and other agencies, including the national parks, to manage the mountain pine beetle problem as effectively as possible.

Sustainable Resource Development, of course, has an effective beetle monitoring and control system in place, and we will continue to play a key role in minimizing the effects of mountain pine beetle through early detection and control of new infestation. If you go on highway 1 past Cochrane and west towards Banff, you will see areas where there was some clear-cutting done to try and separate the movement of the pine beetle into new areas in the forest. It is a challenge because, from what I understand, if the right wind or the wrong wind comes up, the beetle can be carried a long way into a new direction and therefore continues to be a challenge.

So, yes, we're aware of the problem. It could potentially be a serious problem, but we will ensure that we have the necessary financial and human resources to work with other jurisdictions to ensure that we manage that problem.

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

Ms Carlson: Thank you, Mr. Chairman. I'd now like to get an update on the Carseland fish ladder if we can. Initially we had the problems with the ladder having to be repaired during a spawning time, and then there was a huge outcry in fact from that area to us about the screen that was on the top of the ladder. I know the minister has said that the fish were able to spawn downstream, but those actually managing to get up the ladder and then hit the screen had the potential for being damaged and not being able to spawn downstream. If the minister could tell us if that problem has been resolved and what practices you may be putting in place to ensure that that doesn't happen again in the future.

The Chair: The hon. minister.

Mr. Cardinal: Yeah. Thank you very much. In fact, I understand that the screen has been removed now. The fish ladder beside the Carseland weir is operational, and the fish are able now to get to the river on the upstream side of the weir. Of course, high water levels are delaying total completion of the ladder project. For safety reasons the water levels need to subside before work can be completed. Further, the contractor is waiting for some components to be delivered so they can be installed by the end of May. Conditions caused by some of the unfinished work may be making it more difficult for the fish to find openings in the river. However, I guess nothing at this time impedes their eventual passage, especially with the screen being removed. I can give you assurance that in the future we will ensure that the work that needs to be done is co-ordinated with the spawning season of our fisheries. It may be necessary to try and do it late fall or later on in the summer not to, you know, hit the spawning season at the same time.

So that is a very good question, and I know the Ministry of Transportation continues to work with us closely on that, and you can be assured that we will be looking after that. Again, I'd just like to say that even with some of the difficulties we had with the screen and the inability of fish to move certain portions, they still were able to spawn below the weir and also above. If there is damage done, no doubt it will be very minimal, but in the future we'll definitely monitor it a lot closer.

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

Ms Carlson: Thank you, Mr. Chairman. Now I'd like to talk about woodland caribou for a few moments. It's a species that we don't actually spend a lot of time talking about in this Legislature, yet their numbers are diminishing at a rapid rate, in fact perhaps faster than other endangered species like rhinoceroses and those kinds of animals. Woodland caribou are starting to gain an international reputation. They are diminishing in this province not only because of a lack of mature forest area but because there's more human presence in their habitat, particularly in the wintertime with the larger numbers we've started to see in high-country winter activities like heli-skiing and so on. What's your department doing to address this particular issue?

Mr. Cardinal: We do have, again, a good monitoring program and a plan. In a lot of areas we work with industry; for example, in my constituency, Alberta-Pacific, who holds a large forest management agreement. Within their forest management agreement are, you know, natural grounds for the caribou to be, and in fact Al-Pac jointly with us have collared some animals to track the movement and try and count the number of animals and what impact their forest-harvesting may have. They seem to be reasonably stable, but it's a challenge, again, to keep the population strong.

It is not a food source for aboriginal people. I don't think it ever was here in Alberta. I think that maybe there are a few people that hunt, but very, very few hunt caribou, so it's not a food source for the aboriginal people. The threat of opening roads and right-of-ways for oil and gas and forestry development in relation to aboriginal hunting of the caribou is very, very limited. It's almost nonexistent, maybe one or two throughout the winter, at least in the north.

3:40

The biggest challenge, of course, is the wolf population. That's their main food source, between that and deer, and of course the wolf population has grown. We estimate a fairly high population, and wolves are really wild. That's one animal that remains wild. They're a wild animal; they remain wild. In fact, there are people that trap 60, 70 years in northern Alberta and may not see a wolf ever, maybe once or twice in their whole lifetime. They do remain wild in certain parts of the province, and they're hard to trace. It's hard to track the numbers. On the other hand, we have to keep trying to monitor and count the number of wolves out in certain areas where there may be caribou and also keep track of the caribou, again to try to keep the balance. It may be necessary to make some adjustments on the wolf population in order to deal with the situation of the caribou. So we're working on it. It's a challenge; it's not easy. But you can be assured that we'll try our best.

The Chair: Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. We continue to hear about and experience from an economic perspective the impact of oil and gas on forestry practices, and I particularly hear from forestry companies who are very concerned still about the amount of timber the oil and gas companies are taking out of the forests and how that impacts inventory. Now we're starting to hear a number of independent studies also coming back with recommendations that there should be better co-operation, that the forest practices in this province are archaic, that they need to be revised. I've heard from the industry for a long time that those issues need to be addressed. Can you tell me what progress you're making on that and whether or not you're going to move beyond any voluntary compliance by the oil and gas industry to just manage their cuts in a more sustainable manner?

Mr. Cardinal: That's a very good question, a very important question for Alberta. Sustainable Resource Development, of course, continues to review and improve forest and land management practices in Alberta. Alberta forest products and the oil and gas industry do work together to co-ordinate activities on the landscape, resulting in of course a smaller environmental footprint and fewer impacts from activities such as road construction, seismic line, and pipeline activities. Forest company management plans incorporate into their plans protection of sensitive wildlife habitat, biodiversity, and so on. New forest management planning guidelines are being developed to strengthen these requirements, and, again, some of it is at the request of the industry and municipalities.

Of course, as you're aware, each year we plant about 75 million seedlings in Alberta. In Alberta of course we determine the volume of timber available for sustainable harvest according to what we'll grow, so we always have to keep that in mind as we harvest our resources to ensure that proper co-ordination and proper management of our public lands in relation to oil and gas, forestry, tourism, and other developments takes place.

We manage over a hundred million acres of public land, and I believe 85 million acres of that is in the green area, or the protected

area. Therefore, whatever you do as far as oil and gas activities, forestry, agriculture, tourism, and other activities, they will have some impact on the environment. We are working hard to minimize that. In fact, I believe that in the eastern slopes, for example, about 75 percent now of the oil and gas activities are low impact, which means that there's a lot less damage to the environment. In fact, I believe we've reduced some of the seismic lands, if I remember right, from 10 metres down to 4 or 5 metres now. Some of them you can't even see. In the foothills I've flown over where there was some seismic activity, and the only thing you can see is a small line through the bush, which really you can't drive on because it's just a line that's cut, and of course the exploration that takes place is done with a helicopter. So we are working hard.

In other areas, of course, Al-Pac with their forest management work very closely – the forest management agreements have to have a long-range plan. One, they have to have a 10-year plan, which the ministry approves, and they have to have an annual operating plan, and those annual operating plans have to be done through a public hearing process. What happens there, of course, is that there is co-ordination now between the oil and gas industry and the FMA holders to ensure that they co-ordinate the development of a road network, for example. In fact, they try to co-ordinate even the work plan for each year, because some of those FMAs are large and they could have two or three different areas that they harvest their wood from each year and those could be different from what the oil and gas industry plans. So they try to co-ordinate the activity so that they can be in an area at the time and maybe in fact use the same roads even to access the resources that they want to develop.

So it is a challenge, but I think it's something that we have a good handle on.

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

Ms Blakeman: Thanks very much, Mr. Chairman, for the opportunity to join in the Committee of Supply debates on Sustainable Resource Development. I'll refer the minister to page 368 of the business plan book for the Alberta 2003 budget. I'm looking under goal 2. It seems that the annual allowable cut may be starting to decrease, as projected by the 2003-06 target appearing here, and I'm wondering if this is a trend. Does it indicate the declining viability of our forest resources? I mean, you're dropping from 24 million cubic metres to 23 million cubic metres.

Now, can the minister explain the goal 3 outcome measurement for species at risk, which is the next goal appearing on the same page, 368? What does "percentage of species at risk" mean? Is this the number of all species at risk over the total number of species in Alberta? Also, can the minister release a more detailed breakdown of this measurement, please? Why is the ministry expecting the percentage of species at risk to go up, and what are they doing to make sure that this doesn't happen? I'm also wondering why there is no output measurement for goal 3. I see output measurements for goal 2; I see output measurements for goal 4. I don't see any output measurement for goal 3.

Now, why are there fewer and fewer rangeland leases in good standing? What exactly does it mean for a rangeland not to be in good standing, and what is the ministry doing to change this trend?

How does the ministry hold the Natural Resources Conservation Board to account for its spending habits and the achievement of its stated goals?

3:50

The Surface Rights Board, the SRB, has a reputation for being very pro oil and gas. I'm wondering what steps the ministry is

taking to ensure that the SRB delivers totally equitable and unbiased decisions. What steps is the ministry taking to improve the reputation of the SRB among landholders? Can the minister also tell me – actually, probably in writing; these are pretty detailed. What are the caseloads for the NRCB, the SRB, and the LCB? How have these numbers varied over the past few years, and why would there be a variance? Where does the minister expect these numbers to go in the future?

My next series of questions for the minister are related to the Auditor General's report and specifically to the section dedicated to Sustainable Resource Development starting on page 245 of the annual report of the Auditor General of Alberta, 2001-02. Now, there is a numbered recommendation here, and the numbered recommendations are the ones we are taught to pay special notice to. They're numbered because the Auditor General wishes to make a point of them and is also expecting a response from the government as to exactly how the government plans on responding to them. So I know that this is recommendation 48:

We [the Auditor General] recommend that the Department of Sustainable Resource Development improve:

1. the planning, documentation, and reporting of results for its timber production audit group.
2. the timeliness of its timber production auditing.

As a bit of a background here, with the province owning most of the forests in northern Alberta, it does allocate those forests to private forestry companies through dispositions. The companies are expected to manage their dispositions on a sustainable basis . . . [They do] pay timber royalties and fees to the Department based on the volumes of timber harvested.

Timber royalties and fees are the largest source of revenue for the Department. To ensure prompt and accurate reporting by forestry companies, the Department's Forest Management Branch conducts timber production audits.

The Minister of course knows all of this. I'm really reading this into the record for other people that are following along with the debate.

Therefore, the Auditor General notes that

the purpose of a timber production audit is to verify that correct volumes of timber are reported and that the correct royalties and fees are paid. Accurate timber harvest volumes are also important in ensuring that forest use is sustainable.

So it's of some concern when I see this recommendation that improvement is needed in the planning, documentation, and reporting of results and the timeliness.

The Auditor General is finding that

the timber production audit group successfully met five of the eleven criteria.

So they didn't even hit 50 percent.

Timber auditors understand the forestry business that they audit, as well as the legislative and contractual requirements that govern forestry operations . . . However, six of the criteria were not met.

They go on at length on pages 246, 247, and 248 on the implications, risks, and findings of the inability to meet that numbered recommendation.

There's also

a reservation of opinion for consumable inventory. Following corporate government accounting policy, consumable inventory has been expensed when purchased and has not been recognized as an asset in the accompanying statements of financial position. The value of consumable inventory not recorded at March 31, 2002 is estimated to be at least \$4 million. As a result, net assets are understated by the same amount.

There's also a concern – actually, this is a pretty standard reservation of opinion on capital assets, because the department is immediately expensing acquisitions under \$15,000 instead of amortizing them over their useful lives. That concern actually appears in a number of departments.

I'm looking to see what specifically the ministry is doing in this fiscal year under discussion in this budget to address these problems and what progress has been made. I would also like to see a time line of exactly when the ministry anticipates all these issues that have been raised by the Auditor General being resolved. This is a fairly substantial comment from the Auditor General. As I sit on the Public Accounts Committee, I have opportunity to see about 50 percent of the ministries that we examine in any given year. We don't have time to examine more of them. The concerns being expressed under recommendation 48 are substantial. So I am expressing some concerns about how the ministry plans to address those concerns.

In fact, I don't have it with me, so maybe the first question the minister can answer under that is: has the government accepted that recommendation and made a commitment to address it? I'm sorry I don't have the government's response back on those ones, so I'll just have to put that up front and ask specifically if the government has responded favorably to doing this, in which case the rest of my questions flow. If for some reason the government has said that it will not be willing to accommodate this recommendation, then I would like a very thorough explanation of why not, because this is pretty serious. We're talking money, but we're also talking use of resources, and we're also talking sustainability.

So thank you very much for the opportunity, Mr. Chairman, to bring those concerns forward under this debate. I look forward to either an oral response or, I suspect, given some of my questions, perhaps a written response to some of my questions.

Thank you.

Mr. Cardinal: Mr. Chairman, because some of those questions require numbers that I probably would not have with me here, my staff will review *Hansard* and respond in writing to most of the questions, because there were a lot of detailed questions asked in relation to numbers and performance measures and caseloads and stuff. We will provide those.

One area I can address offhand right here is in relation to the timber allocation and the annual allowable cut. The member mentioned that we do have in the province an estimated 44.5 million cubic metres in annual growth in our forested public lands. The total net allowable cut within the green area is about 24.1 million cubic metres. So although we are almost nearing the point where all the available annual allowable cut is allocated, each year the growth is greater than what we take out. It's a challenge, again, but I think the industry continues to do reasonably well.

We are of course looking at possibly allocating some more of our timber that's available or that may be available possibly in August. There is a working committee of northern MLAs that will look at the balance, what is unallocated, and that's aspen and coniferous also. It's not a whole lot, but there's some. Instead of calling for new projects in the allocation of the balance of the wood we have available, we want to allocate that to stabilize the existing companies that are out there. Rather than bringing in new companies to go after the same resource, it's probably wiser at this time, because of the limited amount that's available, to allocate that somehow, keeping in mind the challenges we have with the softwood lumber agreements or lack of agreements, that we do proper allocation to stabilize the existing companies.

4:00

You mentioned a number of areas: the NRCB, the Land Compensation Board, and the Surface Rights Board. As far as caseloads, I talked about some caseloads during my opening comments but definitely not enough to cover what you've asked for, so I'll ask my

department staff again to look at *Hansard* and ensure that we give you as quickly as possible the answers to the questions you have in those areas. The same with the Auditor General's reports and some recommendations. You can be assured that as a ministry we try to deliver as quickly as possible on as many as possible of the recommendations made by the Auditor General as we go forward. You can be assured again that we'll review the *Hansard*, and I will get my staff to provide the necessary information you require.

In addition to that, we talked about performance measures. There again we will provide the appropriate information to you in writing in relation to performance measures to satisfy some of the concerns you have.

The Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. It is certainly always interesting to have a discussion with the hon. Minister of Sustainable Resource Development. The hon. minister, as I've said in this House in the past, is the closest thing the province of Alberta is ever going to have to a minister of fisheries. Certainly, it is with a great deal of interest that I listen to the exchanges between the hon. minister and the Member for Edmonton-Ellerslie in regard to fish stocks in this province. I would encourage the minister to do his best to ensure that fish have access to all areas of our streams. I'm very interested, and I'm sure the minister will tell me how he's going to monitor the situation. I'm sure that there's monitoring going on in all areas of the province in regard to fish stocks and their access to streambeds. I am quite confident that that monitoring will continue into the next fiscal year.

Certainly, whenever we look at the breakdown of expenses by core business in millions of dollars for this department, whenever we look at reporting agencies, the public lands management, the fish and wildlife management, forest land and resource management, forest protection, policy and information management, and the ministry support services, there is a significant amount of tax dollars here. We look at total ministry expense for 2003-2004, and it's estimated to be \$208 million as opposed to the forecast for 2002-2003 of \$449 million. This is a decrease of \$246 million.

However, one should know that the ministry does not budget for large fire-fighting costs, that have resulted in hundreds of millions in supplementary supply requests in the past. We will look for money to be requested in supplementary supply once the fire season starts, and hopefully we're not going to have the fire season this year that we've had in the recent past. Certainly, it almost seemed to be a rite of late spring and early summer in this province that unfortunately we had some large fires to deal with that took up all the resources, whether they be men, women, or machinery, to fight those fires at enormous expense for, in my view, a resource that is diminishing, and that's our wood fibre. I certainly hope that this year will be a little bit different. The weather seems to be co-operating. We can have more moisture content in the forest and the forest floor, and hopefully fires will not be as extreme or severe as they have been in the past. I wish the minister and his department well in preventing through public education large forest fires from happening and, if they do start, in getting a handle on it right away so that hopefully they will not expand.

Now, we also have to deal with the government and lottery fund estimates, Mr. Chairman. Will the minister please table a document that explains each line item and identifies exactly which programs are funded through which line items? I'm talking about program 1, ministry support services. The budgets for both the minister's and the deputy minister's offices are increasing by \$20,000. Why has this new money been allocated to these offices? What is the manifest

need for this money? The human resources budget is being increased by \$50,000, and this would appear to be the addition of an extra member of the staff. Is this true, and why is this extra staffer needed? Is it to monitor the fish streams? What sort of monitoring is this extra staffer going to do?

The strategic corporate services budget is increasing by approximately \$450,000. Why does this line item require nearly \$500,000 in funding? What will these extra funds be used for? Also, what is the breakdown of the \$770,000 in the minister's and deputy minister's office budgets for 2003-2004 by salaries for the permanent positions, salaries for the nonpermanent positions, the salaries for the contract positions, the travel expenses, advertising, telecommunications, and hosting expenses? How much was spent on bonuses last year, and how much is anticipated to be spent on bonuses this year? What was the amount of the largest bonus given out, to whom was it given, and for what reason was it given? Where did the budget for legal services go? There was \$67,000 for this two years ago.

Now, in program 2, policy and information management, the policy and planning line item is increasing by 86 percent, from \$2 million to \$3.8 million. This is nearly a doubling of money for this line item. Will we see policies and planning from the department that are twice as good? What planning activities is the department undertaking such that it needs twice as much money? The Official Opposition has brought up many ideas about how policy and planning could be improved. Are these going to be implemented with this huge injection of money? Some of the ideas were from the hon. Member for Edmonton-Ellerslie.

The ministry is spending nearly \$4.2 million on regional offices. Is this funding to continue the operations of the offices or for acquiring new offices? How many regional offices does the ministry operate? Has the ministry undertaken an internal audit to see if a reduction in the number of regional offices is possible? We saw a reduction in the number of I think ag offices last year, a little over a year ago. Is the same deal applicable to the Department of Sustainable Resource Development?

Now, the ministry is spending \$350,000 more on information technology this year than last. What information technology resource does the ministry employ? Why do they require more than \$1 million per year to use this information technology? What is the reason the ministry needs \$350,000 more for information technology?

[Mr. Lougheed in the chair]

Forest protection. We discussed this a little earlier, Mr. Chairman. The organizational framework is receiving an extra million dollars this year for operating expenses. What is this extra million dollars going to do, and why is it needed there? Now, wildfire operations are budgeted for \$18 million this year for operating expense, but \$270 million was spent last year. That's for fire stations and fire crews and things like that, I would understand. But why does the ministry not budget for wildfire operations a little more realistically so that budgeted figures more closely approximate the actual amount of moneys spent at the end of the year? The ministry's budgeting procedure in this regard is rather appalling and would cause economic havoc if it weren't for this province's surpluses from oil revenues, and I certainly wouldn't consider these surpluses as endless. Conventional oil production is declining, and synthetic crude production is increasing. One has to be very careful that we manage that nest egg to the maximum advantage of all Albertans.

4:10

Now, there is an organizational framework that is getting an extra

\$1.75 million this year for equipment and inventory purchases and an extra \$1.25 million this year for capital investment. Exactly where is this extra money going and why? Should we expect this increase in funds to remain in future budgets as well?

Program 4, Mr. Chairman, the forest land and resource management. The forest operations budget is being cut by \$1 million. How is this going to affect the ministry's work in this area? What specific programs will suffer cuts as a result? What steps is the ministry taking to ensure that critical operations are not severely affected by this cut? Forest policy and business will receive an extra \$1 million this year. Where is the extra money going to? What was the specific need? What convinced the ministry that \$1 million is better spent in forestry policy and business rather than in forestry operations? What exactly is meant by nominal sum disposals that the ministry is spending \$2 million on this year?

In program 5, fish and wildlife management, the policy and business management is receiving an extra \$1 million for operating expenses this year. What new programs are being developed or what product will Albertans see that justifies the expenditure of an extra million dollars under this last line item? How will this extra million dollars be monitored to see if it's spent well?

Wildlife management is being cut back by \$400,000. There is evidence that wildlife management needs more resources to do its job properly. Why is the ministry cutting back on this crucial program? What parts of the wildlife management program does the ministry plan to take this money out of? What does the ministry anticipate the effects of this cut will be? Will any staffers lose their jobs?

Now, fisheries management is also being cut back by about \$400,000. Given the problem the ministry has in handling the Carseland weir problem with spawning trout, doesn't the minister think that this line item needs more money rather than less? What parts of the fisheries management program does the ministry plan to take this money out of? What does the ministry anticipate the effects of this cut will be? Will any staffers lose their jobs?

Enforcement field services is getting an extra \$600,000. How exactly will this new money be allocated to enforcement programs? What was the nature of the need that the ministry is trying to address with the specific allotment of funds here?

Policy and business management will receive \$400,000 for equipment and inventory purchases. They didn't receive anything for this last year. Where is this money going, and should we expect this money to be allocated on an annual basis?

Public lands management, program 6. Land policy is getting approximately \$700,000 more this year for operating expenses. What projects are increasing the costs for this line item? What is the need for these programs? Will there be extra staff hired?

Land dispositions and technical services will receive an extra \$1.1 million this year. Where is this extra money going? What is the justification for this?

Resource data has been cut by \$750,000. What programs does this line item include? What specific programs are being cut? What effects will this cut have on the entire public lands management section?

Now, land use operations and rangeland management are both getting budget increases of half a million dollars. To what specific programs or what projects is this extra money going? What is the justification for these new or expanded programs or projects? Rangeland management is receiving \$200,000 this year that it didn't receive last year for equipment and inventory purchases. What is this money going towards? Is it a onetime expense, or will this be a reoccurring expense?

Reporting agencies, program 7 of the budget. The Natural

Resources Conservation Board went significantly over budget last year, incurring a loss of \$1.6 million. What is the reason for this board going so far over budget? What was the caseload of the NRCB last year? How did this compare with previous years? The NRCB is getting a budget increase of \$1.7 million over what it spent last year. Why will the NRCB need so much more money to operate next year? Is the ministry anticipating many more cases? The Surface Rights Amendment Act was supposed to take more appeals out of the courts and put them before the Surface Rights Board. Is that the reason for the budget overrun?

The ministry is anticipating \$2 million less in transfers from the government of Canada this year. Why will the ministry not receive these revenues? What is the ministry doing also to solicit more funds from the federal government?

The ministry is expecting half a million dollars more this year from investment income. Can the minister please explain the justification of this number? What assumptions are being made to make this prediction, Mr. Chairman?

The ministry budget shows that it is expecting \$10 million more next year in revenues from premiums, fees, and licences. This is expected to come primarily from timber royalties and fees. Why would timber royalties and fees be increasing by \$10 million this year? What assumptions has the ministry made to come up with this number? Will any fees, premiums, or licence costs be increasing next year? Which ones, and how much?

On page 357 it shows that the ministry received \$64 million in other revenue last year, when only \$7.5 million was budgeted, and only \$5.7 million was received in 2001-02. Where did this windfall of other revenues come from last year? Why will the ministry not be receiving these funds again this year? Why was it that the windfall of revenue received last year was not anticipated and thus budgeted for? Is this same thing happening this year?

On page 357 of the estimates there is listed under Expense forest protection, base, and forest protection, extended. Will the minister explain the difference between these two lines items, please?

Environment statutory programs is budgeted to get \$6.6 million when it only used \$4.5 million last year and \$4 million the year previous. What is included in these statutory programs? Why is \$6 million being budgeted for these programs when they don't seem to be costing more than \$5 million per year?

The estimates state that the ministry expects a net gain of \$4 million on the disposal of capital assets this year. What capital assets is the ministry divesting itself of that are worth \$4 million? How will these divestitures take place? What decision-making process was used to decide which capital was expendable and which capital was not? Did the ministry consider that some of the capital they divest themselves of may have to be repurchased at a later date for much more money? What has the minister done to prevent this contingency from occurring?

On page 359, Mr. Chairman, of the estimates insurance proceeds of \$55 million are listed. Are these insurance proceeds from wildfire insurance? The insurance company said that it wanted to audit the province, as I recall. Did it? What was its conclusion? What is the ministry's stance on this issue? Will the ministry be trying to get wildfire insurance for this year as well? Does the ministry think any company will give insurance to them after the huge payout they got this year?

4:20

Environmental protection and enhancement fund, statement of operations. Investment income is listed under revenue for the fund. What investments does the fund make that earn it \$3 million a year? Can the minister please explain the variations in this investment

income over the past several years? Should this fund really be in the investment business? I don't know. Probably not, Mr. Chairman. The estimates state that the fund expects \$3.7 million in revenue from various sources under the Other category. What are these other various revenue sources? What does money from the line items forest health and intercept feeding and fencing go to?

The Natural Resources Conservation Board's statement of operations also is of interest. The NRCB showed a deficit last year but no government funds to cover it. Who is going to pay for this, and where is this line item? The NRCB has more than tripled its budget in three years largely because of the confined feeding operations review. What is the confined feeding operations review? Why has this program ballooned in size? Why was this not anticipated? What is the government doing to make sure this program doesn't continue to hemorrhage more and more money? There are some that would say that the confined feeding operations occur only on Wednesdays and only occur within short distance from the Legislative Assembly and that one can travel there in a minivan.

Under revenue for the board investment income of \$11,000 is listed. What investments does this fund make that earn it \$11,000 a year? Can the minister explain the variations in this investment income over the past several years? And I'll conclude, Mr. Chairman, with: should the NRCB really be in the investment business? Again, probably not.

If the minister would like to answer these questions in writing at a later date, that's fine with this member. Thank you.

The Acting Chair: Thank you, hon. member.

The hon. minister.

Mr. Cardinal: Thank you very much, Mr. Chairman. Of course, those questions are on line budget items that require correct information that I may not have at my fingertips here. I will of course get my staff to answer most of them.

[Mr. Tannas in the chair]

The one I would like to give you some briefing on here while I have the information is in relation to the question of fisheries and fish stock and monitoring. You can't monitor forever. It's nice to monitor, but there are times when you have to take action. When it comes to fisheries improvement for Alberta, I guess we've taken some action to improve that.

Just a little bit of history. You know, Alberta has one of the highest ratios of anglers to lakes in Canada, so we have right off the bat a lot of pressure: over 300,000 anglers and just over 1,000 fish-bearing lakes. So we do have a challenge in front of us. In addition to that, of course, there's also growing pressure from aboriginal, commercial, and sports fisheries to better meet their needs. My department is committed to improving Alberta fisheries through a variety of methods. This includes a reduction in the number of commercial fishermen in Alberta from 800 to 200 fishermen. Eight hundred fishermen right now have access to about 34,000 100-yard nets, and we want to reduce that from 34,000 to 18,000. So it's a challenge, but I know we will meet the challenge.

Licence sales are starting to respond positively. I guess it's partially due to new programs such as National Fishing Week, the free fishing day, and the urban fishing program. This upcoming fishing season we will be expanding fishing opportunities for harvest of walleye across the province. The department has applied an adaptive management approach to select lakes for opportunities. The walleye harvest initiative is building on the Calling Lake pilot project by spreading angling pressure across other lakes in Alberta.

We are expanding monitoring. We will look into how this initiative achieves the balance between meeting angler expectation for a limited harvest and establishing of course a sustainable fish population. The department plans to update the walleye management plans this year to reflect new knowledge and greater experience and further understanding of the information that is needed.

As part of the monitoring and part of the action we are taking, we've opened 17 lakes and reservoirs in Alberta where you can catch and keep some fish. The seven reservoirs are in southern Alberta: Keho Lake, Horse Fly Lake reservoir, Fincastle Lake, Little Bow Lake reservoir, Spruce Coulee reservoir, and Forty Mile Coulee reservoir; in addition to that, we also opened up the Milk River Ridge reservoir, where you can keep some walleye.

Four lakes in northern Alberta are open now, including Calling Lake, where you can keep walleye, where it was catch and release before, Long Lake, Spencer Lake, and Vincent Lake. Six other lakes in northwestern Alberta are also open now: Hutch Lake, Sturgeon Lake, Wadlin Lake, Snipe Lake, Haig Lake, and Winagami Lake are also open.

So we are definitely moving forward with not only a good monitoring program but also a good program that's action oriented to try and have sustainable sports and commercial fisheries in Alberta. I know that we will achieve our goal. We're being very innovative. We're getting support from the municipalities, we're getting support from the First Nations, and the Alberta Fish and Game Association supports a lot of what we're doing. We will ensure that we do the right thing.

Because a lot of the other items were very good questions and require detailed, accurate information in relation to dollars, measurements, and performance measures, I will get my staff to answer those in writing.

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

Dr. Pannu: Thank you, Mr. Chairman. I'm pleased to rise and talk about the minister's estimates a bit and ask a few questions. Maybe I can start with the minister's favourite program, the walleye, and how his plans and programs are going with respect to protecting the species and making sure that it grows. Perhaps there's an opportunity to review the Calling Lake model that he tried last year and look at whether it worked or not, that line in the water that he drew, whether or not the fish actually recognized and respected that border. That's just a reminder that the minister does have responsibilities for very, very important areas related to the health of our forests and renewable natural resources, so his responsibilities certainly impinge directly on both the economic health and the protection of resources for future generations where that's applicable.

4:30

A few questions here, Minister, in the area of forest protection if I may start with that. In 2002 85 fires were caused by industry, and another 438 were, I guess, human-caused fires within Alberta's forest protection area. In the business plan the target for 2003 is under 60 and under 300 respectively I guess for this year. What actions are planned? What changes have been made in previous practices to make sure that human-caused fires are lowered as desired here? Any specific actions in this regard? Any resources committed to it both in terms of preventing such fires, and where they do occur, to make sure that there's some sort of plan for cost recovery in fighting those fires, which are unnecessarily caused by human inattention or deliberation?

The second question that I have related to forest protection has to do with – the percentage of fires reported within five minutes or less

was 98 to 100 percent in 2002 according to the business plan, and that target for this year, 2003, is lowered to 90 percent. I just wondered: is the forecast different from the target, and why is the target lower than last year's target? Shouldn't the target be in fact higher, showing improvement?

Forest lands and resource management is the second area. Could the minister elaborate on the forest sustainability measure being developed? What stage is that at? Can we expect the measure to be implemented or available for implementation during this fiscal year?

The second and more important question in this area of forest land and resource management has to do with softwood lumber. We raised some questions in the House over the last several weeks with respect to the dispute that we have with the U.S. on softwood lumber and softwood lumber duties that have been introduced by the U.S., which has the serious potential of hurting our industries here. Alternatively, if we respond to that pressure by changing our policies, that might have consequences for the future of industry in the communities that depend on those forest-related industries.

So the question specifically: is the government considering eliminating all references to mills, communities, lumber production, and processing facilities as requirements in the long-term contracts? Are there pressures that the ministry feels and the government feels to move in that direction, and is the government preparing to respond to those pressures by eliminating those references in the contracts? That's a very simple, straightforward question. What would be the impact on Alberta's forest industry and communities in Alberta that presently have the mills and the processing plants in those communities, the impact of such a change, if it were to take place, on Alberta's economy, on the industry, and on Albertans working in forestry?

Third, has the minister analyzed the effect of changes to forestry practices in B.C. on the industry in Alberta? I understand that B.C. is moving ahead with succumbing to the pressure coming from south of the border and has, in fact, three or four different pieces of legislation that are going through or have gone through the Legislature there, which will indeed amount to substantial changes and in effect eliminate all those references that we presently have here and, I think, that B.C. had too, conditions for these long-term leases and tenure leases where there were conditions for processing raw lumber in and around the communities and the areas in which those forest activities are taking place. So the question was: has the minister been following the developments in B.C., and is any consideration being given here by the government or by the minister in charge for moving in the same direction as B.C. has apparently decided to move?

Other observations, Mr. Chairman, for the consideration of the minister. Rapid oil patch developments in the north threaten to wipe out old-growth softwood in a generation according to a study published in *Conservation Ecology*. The study predicts, based on research in forest management agreements of Alberta-Pacific Forest Industries and the considerable estimates of the continuation of current practices, that the impact of those are as follows: they will lead to elimination of old-growth softwood stands; lead to a decline in species sensitive to human disturbance, such as woodland caribou habitat, expected, according to this study, to decline from 43 percent of the study area to 6 percent. Caribou is already listed as threatened, so it's a serious issue.

Another impact that the study draws attention to is increased soil erosion, the disruption of water and fish movements, access by humans hunting and poaching. The next one: negative socioeconomic repercussions due to a shortfall of softwood on communities in the areas, and yet another one, that petroleum companies will pay tens of millions for timber damage to forest companies. "This is a

lose-lose situation in that the economic loss to the petroleum industry does nothing to restore the forest in the areas that are disturbed." I'm using these words, you know, right from that report. The report continues. It says, "The current system also ignores potential credits that could be gained by petroleum companies for maintaining carbon stores on the landscape." So if the minister would either now or later perhaps address some of these questions or respond to these observations of this scientific study on the impacts that it talks about.

This study concludes that "the current system of forest management in Alberta is a relic of earlier times," and these are the words of the study. It is unchanged since the 1950s despite increased density of industrial operators and the development of ecological objectives due to shifting public values. The question is: is the minister considering to follow the recommendations of the study and implement "meaningful stakeholder involvement, integrated planning, and an assessment of how current management decisions will affect the forest of the future"?

Then on fish and wildlife management, another important area that's under the minister's responsibility. How many fish and wildlife officers does the province have in its employ at the moment? That's a simple question of numbers, I guess. Is that sufficient to monitor, the minister's favourite word, hunting and fishing? Can the minister share with us the information of what percentage of poachers is caught? What's the total number of poaching incidents? How many get apprehended, stopped, or caught?

4:40

Another interesting little factoid in the business plan on page 368: the percentage of species at risk dropped from 2 percent to 1.4 percent between 1996 and the year 2000. The question this raises is: why is the target raised to 5 percent for 2005? If we've already achieved rates of species at risk which are as low as 2 percent and 1.4 percent, it raises the question of why accept the rate of 5 percent over the next two years? Why raise the risk level, and what's the thinking behind it? Maybe the minister can respond to that.

Alberta was once home to 9,000 to 16,000 grizzly bears, but there are now at most, according to the best estimates available, about 1,000 left. Canadian Parks and Wilderness Society's estimates, I guess, are the ones that I am drawing your attention to, Minister. Grizzlies are very sensitive to impacts of human activity. The Endangered Species Conservation Committee recommended to the minister that the grizzly be listed as threatened. The minister has refused. I understand that this is the first time the minister has refused such a recommendation.

The legal listing of a species as threatened under the Alberta Wildlife Act triggers not only the establishment of a recovery team and a recovery plan; it also legally commits the government to providing ongoing funding for the recovery team and for the implementation of their plans. So that's why the minister's refusal is significant and has substantive ramifications. If the minister were to in fact designate this species as threatened, then he would be obliged by the laws of our province to take further action. Will the minister commit, therefore, to following the recommendations of his own committee and listing the grizzly as threatened?

The next point. The government's management plan for the Kananaskis Valley would allow expansion of recreation facilities into elk, bighorn, and grizzly habitat. What action is the minister contemplating taking to protect wildlife in the area if such developments are to proceed? I hope they don't. I hope the minister can give me assurance on this.

Wolf modeling shows that the future of wolf populations in the central Rockies looks bright provided that wolves continue to

immigrate from neighbouring areas. Wildlife management cannot be dependent on a few protected areas. CPAWS indicates that the regulations for trapping and hunting wolves are very liberal. I don't mean liberal in the sense that my neighbour might take it. What action is the minister taking to tighten up hunting regulations in this area? There's a concern expressed again and again by CPAWS. I remember being in Canmore last year, and the CPAWS representative came to see me and put these matters and their concerns to me, so I have this opportunity. I hope the minister would address this.

A few more questions, Mr. Chairman. Can I go on for five more minutes or so?

The Chair: You have four.

Dr. Pannu: Okay. Four minutes. I'll try to race through it then.

Rangeland management, another area that's under your control. The percentage of rangeland leases in good standing has been steady at about 96 percent. This is what the business plan says on page 368. Why does the target drop to 90 percent? Again there's a lowering of the target.

The Natural Resources Conservation Board, another important agency that the minister has responsibility for. In 2002 the NRCB received 981 complaints involving 431 confined feeding operations, CFOs, or ILOs as they are now called. Only 36 enforcement orders were issued, one-third involving releases or potential releases of contaminated manure. Lisa Bechtold of SERLO, Society for Environmentally Responsible Livestock Operation, has criticized NRCB for having insufficient operators to enforce regulations. The process, of course, is complaint driven, as you well know.

Questions to the minister. Are there random inspections of these operations? What happened to the many complaints which were made but do not result in enforcement orders? Are current regulations that are requiring manure storage lagoons or outhouse technology, according to rancher Sherry Brock, sufficient to prevent contamination of water supplies? Can the minister make some comments on it and give assurances one way or the other?

Some ILOs are incorporating filter strips, aerobic composting, or high-temperature anaerobic digestion to prevent harmful bacteria from entering ground or surface water. Has the minister considered requiring these improvements on all factory farms?

So those are some of the questions, Minister. You can answer some now and others perhaps a little later in writing. Thank you, Mr. Chairman.

The Chair: The hon. minister.

Mr. Cardinal: Thank you, Mr. Chairman. Because of timing I will answer a few of the questions and the rest we will do in writing.

Very quickly, because I've mentioned this project before, the Calling Lake pilot project. You know, basically our department is committed to improving Alberta fisheries overall, and of course we're trying a variety of ways of doing that. One of the many things we are doing is the Calling Lake pilot project, which we established in the spring of 2002, and what we're doing is we're trying to balance the harvest and also the conservation at the same time. What we're doing with that lake, as a lot of you are aware, is that anglers can keep some fish caught only from a part of Calling Lake. One-half of it is closed and one-half you can fish, and we will monitor very closely. We're doing it jointly with the Alberta Conservation Association. We've done a lot of work through the past summer, and in fact the biologists have just completed a report which will be available in the very, very near future to people that may be interested. So it is definitely innovative and seems to be working quite well.

The other area I'll just briefly touch on, because I've touched on some already, is in relation to the wildfire fighting and control and some of the changes that we may be doing. Our objective is early detection of fires, early detection to improve that. So we can, for an example, improve our system of the towers we have out there and the communication system.

Then the other one, of course, is early response. At one time if, for an example, a fire started at, say, 9 o'clock in the evening, because of the policies we had in place, the water bombers wouldn't actually get there till 10:30 the next morning, somewhere in there, because the pilots could only fly a certain amount of hours in a day. What we did was we made sure that there was always a backup pilot in the future. Now if a fire starts in the evening by lightning, for an example, we will have water bombers on that site, if they're required, by 4:30 in the morning. That's part of the early response.

Of course, the other one is public education. We've been working with communities across the forested areas to try and make sure they're aware of the hazards of a wildfire and how they may in fact improve their own surroundings alone in order to reduce the danger of wildfires.

4:50

The other one we just announced between the Minister of Municipal Affairs and my department is a municipal wildfires assistance program, which has come into effect April 1. It is now in place, and what that will do is assist municipalities in the firefighting costs because most municipalities are not equipped to fight wildfires. They're more equipped to fight house fires, you know, building fires, and stuff like that but not forest fires. So we have a detailed plan which will come out publicly very shortly as to what that program is structured like. So I think that's an improvement.

The other one you touched briefly – and I'll be very brief on it – is the softwood lumber agreement or the lack of agreement. Although I'm not the head negotiator for that – the Minister of International and Intergovernmental Relations is the chief negotiator for Alberta in that agreement – I can make a few comments. We do have regular meetings, and we want to make sure that the industry in Alberta is looked after. There are three major areas. One is the large multinationals in some cases that are diversified companies that are out there. Then there are the others that are small, companies that produce less than 5 million board feet per year, loggers and sawmillers. There are about 125 of those, and that has, you know, a major impact across the province. So far we've managed to have those organizations exempted from the softwood lumber negotiations.

The area where it's really touchy is the mid-size companies, the companies that are, say, Alberta or Canadian owned. They're here. They're mid-size companies, and there's a real challenge if we have to change some of the plans that are brought forward by the U.S. One is tenure. They don't like to see the 20-year forest management plans. They like to see more public auctions of wood, and that would definitely have some impact on the sustainability of our forestry operations.

Although, you know, B.C. you mentioned is moving forward quite rapidly. I think they're in a little different situation. Fifty percent of the whole Canadian exports come from B.C. On the other hand, of all the exports in Canada we're only 7 percent. So we're reasonably small players. But it's about 1.1 billion board feet or 500 to 600 million dollars' worth of lumber we export to the U.S. So it does have some negative impact. We will have to work very closely with the industry, you know, with different levels of government, and of course other governments across Canada. So that's a real challenge.

I'll sit down now and will of course do the rest of the questions in writing to you.

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

Ms Carlson: Thank you, Mr. Chairman. I just have a couple more questions, and then the rest we'll put in writing for the minister because I'm anticipating that we'll end debate at about 5 o'clock this evening. So if the minister could talk to us a little bit about what's happening with the cross-ministry initiatives. Particularly, I'm interested in the aboriginal policy initiative. How long was this in the works for the planning stages, and when are we going to see some tangible outcomes and any other information you'd like to share?

The Chair: The hon. minister.

Mr. Cardinal: Yeah. Just very, very briefly on that. On the aboriginal issue there are some challenges in that area. I think most people would like to access jobs that are out there, regardless of whether you're aboriginal or not, and that's something, of course, our government supports to ensure that people have job opportunities. Although the cross-ministry initiative involves a number of ministries, a number of department staff, it is a process that just started. There is another lead minister in that area, and therefore it is only fair that we will do that in writing for you to ensure that you get proper information, updated information, because it involves more than one ministry.

Thank you.

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

Ms Carlson: Thank you, Mr. Chairman. We have quite a few outstanding issues and questions around intensive livestock operations. In spite of the changes we've seen in the confined feeding operations, I guess, as they're called now, there still seem to be some issues. They're really issues about assessments of lagoons, about how it seems like there aren't very many standards in place, how in some cases we still have lagoons being built near aquifers and water sources. So what we're looking for here in this regard are stricter enforcement standards on the environmental side. The feedback that we're getting from the community is that the NRCB is essentially rubber-stamping some of these projects and not doing adequate investigation, particularly around the water supply. Then, on the other side of the coin, we don't seem to be seeing strict monitoring and action on tough standards either from a water or an air perspective. So that's a pretty big concern.

Also, in terms of intervenor status on these ILOs, we're seeing that the municipalities are given affected party status but other people may or may not be, so we think the affected party status needs to be reviewed and probably reviewed quickly.

Also, we've heard lots of concern about manure-spreading guidelines. Is there any expectation for changes to be made there? Certainly, I think we've progressed to the state in this province where the spraying that we've seen as being a traditional method in the past and the majority of the ways that this process was done are gone. I think we're into composting, I think we're into in-vessel kinds of separation of fluids and gases and solids, and we'd like some information on that. I'll ask the minister to provide some background on that in writing to us, and we'll submit the rest of our questions in writing as well and look to a slightly early conclusion this afternoon.

Thank you.

Mr. Cardinal: Just very briefly, Mr. Chairman, I'd like to take the opportunity to thank my staff for their continued work throughout

the year. They come here to work with the other 1,900 staff we have out there, and I'd like to thank them for all their work throughout the year. Also, I'd like to thank the Official Opposition and the third party for their positive critique on our department and their good recommendations. We are a team, and I'm sure we have challenges, but we'll meet those challenges.

The Chair: After considering the business plan and proposed estimates for the Department of Sustainable Resource Development for the fiscal year ending March 31, 2004, are you ready for the vote?

Hon. Members: Agreed.

Agreed to:	
Operating Expense and	
Equipment/Inventory Purchases	\$191,698,000
Capital Investment	\$3,200,000

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

Hon. Members: Agreed.

The Chair: Opposed? Carried.
The hon. Deputy Government House Leader.

5:00

Mr. Zwozdesky: Thank you, Mr. Chairman. I would move that the committee now rise and report the estimates of Alberta Sustainable Resource Development, which were so very well presented today, I might add.

[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.

Sustainable Resource Development: operating expense and equipment/inventory purchases, \$191,698,000; capital investment, \$3,200,000.

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

Hon. Members: Agreed.

The Deputy Speaker: Opposed? Carried.
The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. Just before I put the adjournment motion forward, I would like to just take a moment to wish all the mothers who are listening a very happy Mother's Day this weekend, beginning with my own mother, Anna, and my wife, Christine, all the spouses of the members here, and all Albertans. Have a happy Mother's Day.

With that, may I simply say that we call it 5:30 now and adjourn until 1:30 p.m. on Monday.

[Motion carried; at 5:03 p.m. the Assembly adjourned to Monday at 1:30 p.m.]