

Legislative Assembly of Alberta

Title: **Wednesday, March 31, 2004** **8:00 p.m.**
 Date: 2004/03/31
 head: **Committee of Supply**
 [Mr. Shariff in the chair]

The Deputy Chair: Hon. members, we'll call the committee to order. Would everyone please be seated. Let's get some order and decorum. Thank you.

head: **Main Estimates 2004-05**

Economic Development

The Deputy Chair: Hon. members, as per our Standing Orders the first hour will be allocated between the minister and members of the opposition, following which any other member is able to participate in the debate.

The hon. Minister for Economic Development.

Mr. Norris: Thank you very much, Mr. Speaker, and a very pleasant good evening to everybody. We are here to look over the business plan for 2004-2005.

Before I do that, I'd like to introduce some folks who have joined us in the gallery. Starting at stage left, I guess, is Mark Erdman, the communications director. [some applause] You can hold your applause; I know I would. Next to him is Anthony Lemphers, our financial executive; Rick Sloan, the ADM of the department; Derek Coke-Kerr, the managing director of Travel Alberta; and our newly minted ADM for tourism specific, Bob Scott. There he is. This is our team of Alberta Economic Development, so clearly we're doomed.

What I thought I'd do, Mr. Chairman, to open the discussion about this is talk about what our plans are and what our goals are, and hopefully it'll be of interest to somebody. If not, I'll just keep going.

Mr. Chairman, our role here as we see it as Economic Development is twofold, to grow and diversify. We do that in a number of different ways. By grow we mean our four existing industries, which of course are oil and gas, forestry, tourism, agriculture. [interjection] I was getting to that.

An Hon. Member: Entertainment.

Mr. Norris: Entertainment.

Those are our four big ones. We recognize that in Alberta we've been very blessed; they give us an incredible foundation from which to build. So one of our department's goals is strategic information and development. We don't take that very lightly. In fact, we take it very seriously because as we grow those four big industries, it allows us time to look at other ones.

The other part of our plan is to diversify the economy. We do that in a number of ways but primarily working with industry to look at new opportunities such as environmental services, aerospace, communications, telecommunications, bioproducts, et cetera. Like any other business, Mr. Chairman, we do this with a number of strategies. They're all outlined in our business plan, but I thought I'd touch on three of the more important strategies tonight.

Our first one is our international office program. Alberta is a very remarkable exporting province, Mr. Chairman, and to deal with those pressures, we have decided to have an international office program. Now, that program has been in place for some time, and

in the last year we opened a couple of new offices, specifically in Mexico City and London, England. The response to that from businesses has been great. They have told us that they do not need us to do their work for them but would like a business-to-business presence from one government to the other. So that's how we responded to it.

The final piece of our international offices, Mr. Chairman, will be an office in Washington, D.C. [some applause] Thank you for that. We're very happy about the international office in Washington for a number of reasons. Primarily, Alberta has been affected by some global occurrences which we have felt have not been dealt with on a level that we would have liked by our federal counterparts. As a result, in agriculture, specifically with the BSE crisis, where some 70 per cent of the cattle industry in Canada operates out of Alberta, we felt it important to have a voice there.

Also, Mr. Chairman, there are a number of major projects related to oil and gas that are coming through; two pipelines, to be specific. We felt it would be important for the Alberta government to have a presence in Washington with the decision-makers to talk about how remarkable the opportunity is not only for Alberta but for the people of Alberta and the companies who are capable of doing this job.

So that office, hopefully in conjunction with the Minister of International and Intergovernmental Relations, will be open within six months, and that should close out our international office program. That will bring our number to 10: four in China, one in Japan, one in Seoul, Korea, and again Mexico City, London, England, and Munich, Germany.

Another strategy we've been working on very hard, Mr. Chairman, is our rural development strategy, which is alluded to in this document but which has now been released by the Minister of Agriculture, Food, and Rural Development. Our department has worked very hard on that as we understand the importance of it, but I will leave that to the minister when she discusses it.

A third strategy we've been working on, Mr. Chairman, that will be released very closely – and it's referenced in this document – is our value-added strategy. The value-added strategy calls for Alberta companies and industries to work with the Alberta government to understand what the barriers are to bringing products up to their highest level and to developing to that level. It does not call for us to get into the business of business in any way, shape, or form, but it does call for us to identify that as a commodity-based economy as the price of commodities goes up and down, so does the economy. We want to get away from that and level it off with manufactured and value-added. So that's the strategy we're working on in that regard.

The final strategy I'd like to touch on, Mr. Chairman, is our tourism strategy. I don't think, quite honestly, we could have any more important strategy than that one. As you know, tourism is the fourth largest industry in Alberta, employing some 120,000 people, generating about \$5 billion in gross revenue, some \$700 million in taxes. What we've found is that we have an opportunity to grow this industry, that is not being dealt with appropriately.

So the hon. Member for Edmonton-Glenora along with the hon. Member for West Yellowhead, the hon. Member for Spruce Grove-Sturgeon-St. Albert, and some other hon. members who are not with us here tonight formed a committee to deal with that, and they've been working very hard to get tourism the recognition and the growth it needs. To the credit of our very highly astute Finance minister, she has concurred with our findings and has kindly given us more funding, for which we say a very, very big thank you. We believe that money will help grow this industry and will continue to diversify our economy.

Mr. Chairman, the underlying theory of our business plan rests

with allowing the Alberta government more ways to find revenue. We have all found ways to spend. We talk almost ad nauseam about the big spending that departments have done in response to the people of Alberta's requirements, but we don't believe in our department that we focus enough on the revenue generation side. So our business plan and our three core goals all deal with more revenue generation to help ease the burden on the future growth of the province.

So that's really what we do and why we do it, Mr. Chairman. The one kind of highlight that we have, as I mentioned before, is a new ADM in tourism – that gives us three ADMs – which is not to grow the department but to recognize that tourism has very specific needs and requirements, and we're very pleased that that happened.

I'll close now, Mr. Chairman, and open the floor to any discussion and any comments that hon. members opposite might have.

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

Ms Carlson: Thank you, Mr. Chairman. First of all, I'd like to thank all the staff that are here tonight. I think that you do a pretty give job given the minister that you have to work with. So it's nice to see you all here.

This is a ministry that has often been called the ministry of cookies and pork. We see a lot going out but not too many tangible results coming in. That's the focus that I'd like to talk about for the first little bit in these budget debates. That's the real benchmarking.

I heard a lot of comments from the minister about . . .

Mrs. McClellan: Go door-knocking, Debby.

Ms Carlson: I was door-knocking. If you'd like to come with me, I've got a great corner where you would fit right in. That would be good. I'd like to have the minister of agriculture out there.

What we really need to see in some of these areas is more than saying that we're going to work on value-added and that the response has been great. We need to see some tangible benchmarks in this department, particularly because I think it's an important department. I think that if you don't benchmark it properly, in the lean years in government it's one of the first ones to go. We've seen that a couple of times over the past 11 years that I've been here.

8:10

What I want the minister to be able to tell me – and we'll start with the value-added stuff first. We've been hearing a lot about what you're doing in a broad sense, but I want to know what that really means, and I want to know when we're going to see some tangible results that we can benchmark. Give us an example of a company that you're working with and what you expect the outcomes to be.

Mr. Chairman, as is my usual process here, I will ask a set of questions around an issue, get the minister to respond, and then ask more. And you weren't paying any attention.

Mr. Norris: I was. I was very enthralled by the criticism, and then I turned off when you said that you want us to do more, because I thought you were supporting what we were doing. I just thought we were going down the same road together.

Ms Carlson: No. It's the government that has the one-way railroad, Mr. Chairman. Those are not my . . .

The Deputy Chairman: Hon. member and hon. minister, if there are

responses that you may want to provide in writing that you could supply after reading the *Hansard*, that is also allowed. Okay?

The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. I actually have questions that I was hoping to get some answers to, and I think the minister knows the answers to them.

So I'll just go back to the last little piece of this one, now that we have his undivided attention. It was on the value-added strategy. You talked a little bit about that in a kind of global sense, but I want some specifics. How are you going to benchmark the results? Can you give us an example of a business that you're working with and what the expected outcomes are and at what point you say that it's a success and at what point you withdraw whatever support you're providing so that they're on their own out there?

Mr. Norris: Let me start by apologizing, Mr. Chairman. I didn't know there was a question in the previous go-round. So you have all of my attention now, hon. member, for however long you're going to be here.

The value-added strategy that we referenced will look at working with industry, and I want to be very, very clear about this. It is not in any way, shape, or form about the Alberta government suggesting that we need to be in a particular business. It's identifying which commodities are being produced now. An example of that is in primary forest manufacturing, and the hon. minister of sustainable resources and I have talked at great length about this. We let out large blocks of forest and timber to be harvested, and there are certain expectations about that. After that, there is secondary manufacturing that takes place in places like Airdrie and Cochrane in the province of Alberta. Those are secondary manufacturers who are value adding to the existing product.

Mr. Cardinal: Petrochemical plants.

Mr. Norris: Thank you.

For the specific example that I'm using, what we are trying to do is say to the industry primary and secondary producers, "How can you talk better together; how can you do this all in Alberta?" recognizing that we have no desire to use a legislative hammer, nor would we. But we believe that there is enough primary production going on in the province in every industry that there has to be some coalition with government and industry to make this work.

The way we measure it, quite frankly, is when we see less commodities in a raw form going out and more manufactured goods. Petrochemicals are one of those, but I want to focus for a minute on agriculture because agriculture has been a remarkable success story in the question you're talking about. The hon. minister may want to correct me, but about five years ago the ratio of primary production to secondary in agriculture was about 70-30, 70 in primary, 30 in secondary manufacturing. It's now, if I'm not mistaken, about 60-40, whereby 60 per cent is primary and 40 is value added; things like wheat for strawboard – the hon. Member for Strathmore-Brooks has a family member involved in that practice – looking at using grains for bioproducts, things of that nature. So our success will not be measured in how many people we tell what to do but in co-ordinating the efforts of the people who are already doing it.

The value-added strategy also has teeth to it. Again in the agriculture department, in the value-added centre in Leduc – I don't know if hon. members have had a chance to visit it, but I would encourage them to do so – remarkable things take place. The goal is to monitor and take products from the raw form into the converted form, and I might add that through that program we've had a number

of international award winners. One was a pea butter that understood the need for a nonallergenic peanut butter. They've now become a world-class pea butter. We have a samosa manufacturer who through the help of the agriculture department and the value-added centre has had a huge success. So there are success stories all throughout the province. We would like to measure more specifically to say: less commodity, more secondary manufacturing.

Ms Carlson: So just to get some more detail on that, do you facilitate meetings? Do you provide research and development support? If so, what percentage would the company put up in terms of what your centre puts up? How involved in the product development and marketing do you get?

The Deputy Chair: The hon. minister.

Mr. Norris: Thank you, Mr. Chairman. I'm really thankful for the questions. I gather from the direction of them that the opposition party is very supportive of a value-added strategy.

I guess I have to back it up a bit. What we speak about in this particular document is that our strategy has only been through the government process and is now being released to the public. So to date the intervention or the involvement that you've been talking about would have been consultation with industry to see how to set the strategy up.

The strategy will be released publicly April 12, and at that point we'll have an opportunity to start liaising with our industry partners to understand if the document is fitting their needs. Again I would have to qualify that it is not an interventionist document but a way of looking to work together.

The perceived plan after that would be, yes, to facilitate roundtables with primary producers and secondary manufacturers. We don't have money to invest in businesses in any way, shape, or form. The value-added commodities would be done through the value-added centre in Leduc, which has a budget. I can't speak to it because it falls under the Minister of Agriculture, Food and Rural Development, but we do work very closely with them in that regard.

Where major industries are concerned, generally where we show support and have done so is in the form of reports and feasibility studies that are generally partnered with industry 50-50. A classic example of that was one we just released about the opportunities in situ, talking about bitumen being converted into getting natural gas to help keep our petrochemical complex going. That is about the extent of the involvement we would have for dollars and cents.

The Deputy Chair: Hon. members, before I recognize the Member for Edmonton-Ellerslie, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

The Deputy Chair: The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Thank you very much, Mr. Chairman. It gives me great pleasure today to introduce an individual from Two Hills. We were at a meeting with the weekly newspapers this evening and had the pleasure of talking with weekly newspaper owners. On behalf of our colleague and neighbour the Member for Vegreville-Viking I would be very pleased to introduce Sonny Rajoo, who is the owner and publisher of the Two Hills *Chronicle*. If I could ask Sonny to please stand and ask this Assembly to give him our traditional warm welcome.

Mrs. McClellan: Mr. Chairman, I also thank the House for the opportunity to introduce a constituent, an owner of the *Valley Times*, one of our weekly newspapers in our community. Rural members depend a great deal on those newspapers, and I am delighted that Isabell Fooks has joined us in the gallery tonight. She is also attending the Alberta Weekly Newspapers Association convention and had the opportunity tonight to meet with a number of our colleagues. Isabell, would you please rise and receive the very warm welcome of our House.

head: **Main Estimates 2004-05**

Economic Development (*continued*)

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

Ms Carlson: Thank you, Mr. Chairman. I'm happy to resume with my remarks. I definitely am very much a supporter of value added. It's in fact the reason I became a Liberal instead of a Conservative. I didn't think that Peter Lougheed was doing all that great a job. [interjections] He wasn't. He wasn't. We had primary industry in this province and not much else.

Mr. Mar: I know Peter Lougheed, and you're no Peter Lougheed.

Ms Carlson: Well, I never would aspire to be so, Mr. Minister of Health and Wellness. I'm just saying that I didn't like those strategies in the '70s.

Mr. Mar: Then you set your sights too low, I'm afraid.

Ms Carlson: Well, perhaps you would like to enter into this debate, Minister of Health and Wellness, in the fashion in which you're supposed to, which would be to rise to your feet.

Mr. Mason: I know Dan Quayle, and he's no Dan Quayle.

Ms Carlson: I think that's true too. I believe that he is no Dan Quayle.

8:20

The Deputy Chair: Hon. members, according to our Standing Orders the first hour is allocated between the minister, which happens to be the Minister of Economic Development, and members of the opposition. Any other member who wishes to participate will be able to do so once that first hour elapses. The hon. Member for Edmonton-Ellerslie has the floor.

Ms Carlson: Thank you, Mr. Chairman. As I was saying, I very much support value-added industry and support in some fashion from government, not intervention, seldom funding in terms of a nest egg of money to attract businesses here, but certainly providing a framework for which they can grow both from a research and development perspective and a marketing perspective. So I would definitely support any and all initiatives that regard.

I want to talk now a little bit about attracting investment to Alberta, which the minister talked about and is on page 159 of the business plan. You talk about marketing Alberta as a "preferred location for new and expanded investment" and "increase the number of skilled workers" and "market Alberta as a destination for economic immigrants."

I like the idea of the new and expanded investment. I'm not even opposed to the kind of intervention we saw some 10 years ago with AI-Pac, where a lump sum of money was put up. At the time we did

criticize that move, but we have seen over the decade that those dollars have been returned tenfold or better into the province. So that turned out to be a very wise decision.

However, some of the other decisions that were made at that same time weren't as wise. [interjection] I have to say that it's so. It was if you take a look at MagCan or NovAtel or any of those. At any rate, I just hope that you have a transparent method of evaluating those that is also open to the public so that you aren't intervening or picking winners or losers but you're providing a framework to attract investment, and that I support.

I'm very interested to get more information about how you expect to attract an increased number of skilled workers. Certainly, in the discussions I've had with labour and the kinds of issues they have just within the Canadian market, it seems to me that one of the biggest stumbling blocks they have is the recognition of skills as being transferrable between provinces. So I would hope that that would be a part of this initiative that you're working on here. If it isn't, could you tell me why not and if you plan to work with other ministries to see that Alberta will recognize any skilled worker transferring in from any part of this country?

Mr. Norris: Well, I think that before I answer the hon. member's question, there's something that has to be clarified here, Mr. Chairman, for all members of the House. This value-added strategy speaks nothing about investing in businesses or picking winners and losers, and while I appreciate the support that the hon. member has for a value-added strategy, it's clearly not a panacea for economic growth. It's one of many tools that we use.

When the references to MagCan, NovAtel, Gainers, and others come, then I would also have to use that opportunity to say that 11 years ago this province was a remarkably different place. There were \$4 billion a year structural deficits, there was a \$25 billion accumulated debt, and only because of the courage of this government was that turned around. Now we find ourselves in a position of being accused by the opposition of not doing enough in the value-added sector.

I want to make it very clear that as the Minister of Economic Development and a member of this government never ever will money go into private businesses to grow them. I had my own business for some 11 years before I got into politics. I never asked the government for anything, nor do I expect did any of my colleagues. So if the member opposite or the other member for the NDS believes this is going to somehow get us to find money for businesses, I have to clarify that you're not there.

Where we want to deal with labour and labour issues is a very important point. Labour has become a big problem in Alberta for a specific reason. In the last 10 years we've led the country in growth at an average of 3 and a half to 4 per cent a year. Our unemployment rate sits – and I know the hon. minister of labour and human resources is here tonight – at about 4 and a half to 5 and a half per cent, which any economist knows is virtually zero unemployment, because of seasonably adjusted averages and those who choose not to work through retirement. You end up, then, with a position of these massive projects going ahead both in roadwork and oil sands and others and having a shortage of labour. So in order to address that, we have a program within our department that's shared by the Minister of Learning called the PNP program.

In specific, to answer your question about how we're addressing it, the PNP program allows Alberta businesses who cannot find adequate labour for what their job requirements are to go out to places in the world and find those. Now, that may be because of a skill set that doesn't exist in Alberta, or it may be because it's just an industry that's so white hot there are no employees there.

That program essentially speeds up immigration by allowing the businessperson to go over and identify somebody, give them a job, bring back the file to our department, which is sent to the federal government for a health check and a criminal check, which we fully support, and then the file is brought back to the department to be expedited. So it speeds up the process from two years to three months. The first year of that program was 400 test cases, oversubscribed. The second year was 400. We've renewed it again. So that's one way to address it.

The other way is that there has been a significant amount of money put into postsecondary education in the last four years for new spots, I think some 2,200 spots at NAIT and SAIT and some 4,200 – the Minister of Learning may correct me – at the University of Alberta and the University of Calgary to deal with that.

The simple fact of the matter is that our economy is growing so much faster than our workforce that no matter what we do as a government – I know hon. members opposite would love us to do more – it's not going to catch up. So immigration is an answer to that puzzle. You're absolutely correct, hon. member.

Where we do run into problems is having people qualify with their particular trade or profession. That's a problem, and we are dealing with that. There's a multidisciplinary ministry including Learning, labour, ourselves, and one other that I can't recall to look at that specific question, but we have heard from Alberta businesses overwhelmingly that people who come here who claim to have skill sets had better be able to qualify to the very minimum Alberta levels. If they can't, that's not the fault of the government; it's the fault of the people who are training them in other countries. I know that you have cab drivers who say: I'm an engineer from a specific country; I can't get a job. Don't believe everything you hear, hon. member, because we make every effort to allow them to get their training certificates upgraded or pass to what level they need to be.

I don't know if there's a suggestion being made that we should just take things at face value, because I wouldn't do that, but I do agree with the hon. member that if there are hurdles that we are doing as a government, we have to eliminate them because immigration is the solution to our problem.

The other piece of the equation that I wanted to touch on is that federal immigration tells us that a good majority of new immigrants go to Vancouver, Toronto, or Montreal, and therein lies the heart of the problem. We have to figure out as a government how to get them and entice them here. I know that the rural development strategy of the hon. Member for Wainwright and the hon. Member for Innisfail-Sylvan Lake talks about that as well. It's a huge opportunity for rural Alberta as well as the province of Alberta.

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

Ms Carlson: Thank you, Mr. Chairman. Thanks for those answers, but I want to go back to this skilled worker issue within Canada. I'm hoping that your committee is taking a look at the transferability of skills. I'm talking about tradespeople, you know, electricians, mechanics, carpenters: those kinds of areas. Right now we're hearing that one of the biggest roadblocks to get skilled workers from other parts of Canada into Alberta is that there isn't a proper recognition of their trades here. So is that committee looking at that specifically, and if it is, how soon can we expect some of these barriers to come down so that we're essentially a borderless country?

Mr. Norris: Well, I appreciate the thrust of the question. No, the committee is not specifically looking at that, but I will get further information for you about that.

More important, though, is that while we recognize immigration,

we want to be able to have an economy that provides jobs for Albertans and allows them to get trained here and stay here as part of the solution to the problem. As a result, I know that the hon. Minister of Learning has worked very, very hard on increasing spaces to say: if you want to choose a trade in Alberta, that's a very noble thing to do, and you should do it here. I don't have the exact figures – we can get them to you – but I know from talking to him previously about this, because we share the labour file, that it's of utmost importance and that we have recognized that it's a twofold attack. Skilled labourers trained here need to stay here – it's a great economy that will keep them here – and immigration barriers have to be lowered.

I'm going to have to do some research, hon. member, as to how much is federal and how much is provincial.

8:30

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

Ms Carlson: Thank you. I appreciate the level of detail in the answer.

Just one more on this particular issue. Do you recognize as a ministry that it is a problem in terms of recognition of transferability of trade skills interprovincially? Will you see that as something that you will at least look at in the next year?

Mr. Norris: The program that you're referring to falls within the Ministry of Learning, but I'm going to touch on it from a position of economic development. Yes, it is a problem. It is a problem when somebody in Saskatchewan has a harder time coming into Alberta and getting recognition than somebody coming from Uganda, for sake of example. That's something that we have to work on. After the next federal election, which I know the hon. member is very, very interested in, I'm hoping that we can get together with the federal government and look at removing interprovincial barriers as well as transborder barriers. You're exactly right about that.

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

Ms Carlson: Thank you, Mr. Chairman. That was the answer I was looking for.

Now I'd like to talk a little bit about the focus that the ministry has on film production and investment. As a result of the most recent trip to Los Angeles and the one previously to promote Alberta as a film destination, do you have any hard facts on how many new films would be slated for Alberta or the impact that those visits had? Also, how do you believe that the newly created Alberta Film Commission Advisory Council has boosted the film and television sector?

The Deputy Chair: The hon. minister.

Mr. Norris: Thank you, Mr. Chairman. There were a number of questions there, so I'll attempt to answer them. If I don't get them all, I hope you'll indulge me.

At the outset, film production has been a real focus of this particular government, starting back with the now agriculture minister, who was then Community Development minister, following up now to myself and the hon. Community Development minister, who shares this file. We have identified the film industry as a real value-added winner in a number of different ways – knowledge-based, ties into tourism, showcases the province in a number of ways that other industries can't – and, as a result, have worked very hard on this.

I have taken three film-related missions, two to Los Angeles and

one to England. The ones to Los Angeles bore fruit in the form of three productions, two of them in the Calgary area and one in the Edmonton area. So the tangible of those I can get in a written form. There were three that came out of it.

One of them, as a matter of fact, which is a real personal highlight of the trip for me, said that they wanted to shoot the *Little House on the Prairie* remake, a six-hour made-for-television movie, thought Alberta might be appropriate, but didn't know if there were any big rolling valleys because they thought it was mountains and Drumheller. I asked if they had been in the Camrose area or if they'd been in the Oyen area or that eastern central part of Alberta. They hadn't scouted there. They did, and they found out that it was exactly what they were looking for, combined with the western towns that are already set up naturally. So we've had some really big successes there, and we will continue to work on that.

I don't recall what the next part of your question was.

Ms Carlson: It was about the Alberta Film Commission Advisory Council, what it's done for the local industry in television and film.

The Deputy Chair: The hon. minister.

Mr. Norris: Thank you, Mr. Chairman. I think you're referring to the advisory board that was set up about a month ago.

I have to preface this. Most, if not all, industries that we deal with, especially through our department, have an advisory board. There is an agriculture advisory board, an oil and gas advisory board, a forestry advisory board, et cetera. What those are set up for, quite frankly, is to liaise with industry and find out what their needs are and bring them back to government. The film industry did not have one of those, so we took it upon ourselves to get one. The film commission is housed in my department. The film fund development program is housed in Community Development.

The film commission commissioner, who was hired about a year and a half ago, came to us and said, "We have an awful lot of interest in this particular industry. The liaise to government doesn't seem to be getting through. Can we have a commission?" We said: yes, of course we can.

It was established some two months ago, I believe, give or take. It's made up of, I think, 21 industry players – I can get the exact number – and some department people. I know that the ADM who's sitting here tonight is a co-chair of that commission. They have only had two meetings that I know of to date.

So I think the answer to your question would be that they have outlined what their goals are, we have outlined what our goals are, and now we're going to move forward together. So tangibles I can't answer with any knowledge, but I do know that we're very hopeful that it brings the same skills and expertise as other committees that we have.

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

Mr. Mason: Thanks very much, Mr. Chairman. I'd like to thank the minister for his answers and comments so far.

I have some questions specifically with respect to the rail line to Fort McMurray that has been discussed in the last week or so. Today I asked the Minister of Finance during question period why the \$1.25 million contribution of the government to the feasibility study did not appear in the government's estimates, and she referred me to the hon. Minister of Economic Development. So I think that now is a good time to ask about that.

If it's not in the budget estimates of the department, Mr. Chairman, then my questions are where it will come from and why it was

not included in these estimates. That leads me to another question, and that is essentially: when did this project and the decision to contribute to the feasibility study enter into the government's calculations, being that it's not only not in the budget, apparently, but also not in any of the Economic Development plans or business plans of the ministry?

Mr. Norris: Well, we can do this one of two ways, Mr. Chairman. We can have a discussion about something that is not in the budget in trying to help the hon. member become educated about this problem, or I could honestly say that it's not referred to in this budget year, and as a result I don't feel the need to answer it.

If you want to have a discussion about what the plan is, I can talk about that, but it's not referenced in this . . .

Chair's Ruling Debate on Estimates

The Deputy Chair: Hon. minister and hon. members, the estimates pertain to what is before us. However, the chair has normally given a fairly open latitude for you to stray a little bit outside that scope. So while you're not obligated to respond to it, should you wish to, it is okay. Should you wish to provide a response in writing, that's okay as well. Should you decide not to deal with matters that are not in the estimates, that is okay as well.

The hon. Member for Edmonton-Highlands.

Debate Continued

Mr. Mason: Mr. Chairman, you know, I would actually like to learn as much about this project as I can, so I would be happy to have the minister talk more broadly about the project, but I am particularly interested in the question that there is a government expenditure that's been announced by the Premier that doesn't appear to be in our budget. So I would submit that this is exactly the time that we should be asking about that question as well.

The Deputy Chair: The hon. minister.

Mr. Norris: Well, all right. Fine. What we are involved in, to answer the hon. member's question, is a feasibility study. We do a number of them. I referenced them earlier to the hon. Member for Edmonton-Ellerslie. When industry comes to us with an idea or a concern or a problem and we believe it merits some government review because clearly we'll benefit from additional economic growth and new tax dollars, then we do it.

Where we're at now is a situation in northeastern Alberta with a vast amount of reserves that we want to access and a problem getting there because there's just so much activity. The road systems that were built some 20 years ago were not contemplating \$50 billion worth of activity, the town of Fort McMurray booming from 12,000 to 60,000, and on and on it goes with pressures. So the department is working with a private-sector group to examine the whole transportation piece in northeastern Alberta, including surface roads, bridges, rail, et cetera, to look at what a solution might be. The solution may very well be an upgraded rail line, it may be work done to highway 63 or 881, but this is all part and parcel of the scope of the project.

8:40

Where we're at right now, hon. member, is we have committed to absolutely nothing, no dollars whatsoever in the go-forward of this project. The only money that is on the table that I can knowledgeably speak about is the \$1.25 million that we've committed that's

going to be matched by the private sector. That money is going into the feasibility study. At that point, like all other studies, it will come back to the government of Alberta and the appropriate ministers for review. We have no obligation whatsoever financially or factually to do anything after that report is given back to us. Nor as the minister who is leading the committee will I commit to anything here in the House tonight or outside the House.

So the answer to your question is: we've put \$1.25 million into a study, which is nothing unusual. We've funded the Van Horne institute that operates out of the University of Calgary. We've worked with the petrochemical institute. We've worked with the forestry industry. We've worked with the tourism industry, the coal industry. And when they come to us and they say, "We've identified a problem; the government will be the beneficiary of this through additional economic activity and taxes," we sometimes lend our support financially and department-wise.

That's where we're at on this one right now, hon. member, and the government of Alberta categorically will never be in the train business or the rail business, I can guarantee you. That's not what this is looking at. This is looking at a comprehensive overall study of how to get northeastern Alberta where it needs to be with transportation links to access that vast resource that's up there.

Mr. Mason: I just want to indicate to the minister that, you know, I'm quite prepared to keep an open mind on this project. It seemed a little strange to me at first, but I'm certainly prepared to be convinced that it's economically viable.

My concern at this stage, Mr. Chairman, is more to do with the process that has been followed, because it does seem unusual. It seems like this has just come out of the blue. I noticed that the Premier had said in some of his comments that, you know, he's been thinking about this for 10 years. Nevertheless, it just seems to have very, very suddenly appeared on the government's agenda, and there's no trail of it if you look back into plans and budgets and so on.

So I guess I'm wondering if the government had not considered a preliminary feasibility study. Usually these are done before a full-scale feasibility study and are very much less expensive, probably a few tens of thousands of dollars. That stage seems to have been skipped, and we've gone right into a full-scale feasibility study. I'd like to know who's conducting the feasibility study and whether or not it's the private investors that are involved in the project and if the money is going to be given to them to conduct a feasibility study on their project. Then the next question is: once the feasibility study is done, I'd like to know when that might be expected and whether or not terms of reference for the feasibility study will be made public before the work is done.

Thank you, Mr. Chairman.

Mr. Norris: Well, the fact of the matter is, hon. member, that this is not anything new. A brief bit of history. The hon. Member for Fort McMurray, the hon. Member from Vegreville-Viking, and myself met with a group of approximately 20 stakeholders. Department personnel were there to discuss the challenges that this group felt they faced as a consortium. It didn't represent a particular railway or trucking company or industry player. It was all members coming together to say: "Government of Alberta, we see a problem now, and we see a large one coming down the pike. With \$50 billion worth of projects and more being approved all the time, there's an issue that not only exists now, but we have to deal with it." This was a year ago that this started.

Our department lent support in the form of strategic information and co-ordination with other government departments, and our

assistant deputy minister who is with us tonight as well as the former deputy minister, who's now moved on to Innovation and Science, were involved with the project as well. The project has moved its way now, after a year, to the point where when the approach was made to us, we felt that there had been enough due diligence done and enough work done to get to the point where we could say: yes, this makes some sense to look further. So that's how we got to this point.

It's not unusual for our departments or mine specifically to get involved with industry on research and plans. There are budget allocations for that, some of them discretionary, some of them committed. But, for sake of example, an industry development branch, if we were to get a comment from the coal industry that they would like to look at the Grande Cache coal area and the feasibility therein – we don't have to do that now because, fortunately, Grande Cache coal is resurrected, and we're very, very grateful about that. But if it hadn't and we wanted to see what the opportunities were, then we would get involved in that as a study. This is no different.

You won't find a trail for any of these studies because throughout the budgeted year we have a general figure that we can draw on to say that if we have a budget that is required for a forestry survey, we'll find it. At the end of the year if that budget isn't used, the allocation is then returned. That's the way the process works. So you won't find a specific \$1.25 million allocation, but you will find a general and industry, and that's contained in the documents that we're discussing tonight.

Mr. Mason: Just another question on this item, Mr. Chairman, and then I'd like to go on to a second item. If the \$1.25 million for the feasibility study is not contained in this budget, will the minister then be making application to Treasury Board to fund that? If not, where will the money come from?

Mr. Norris: Well, again, I don't think the hon. member listened. We do have money in our budget existing for studies. If it goes outside the scope and the realm of what we have budgeted for, we may go to Treasury Board. That will come in due course, and then we'll all be able to discuss it at Public Accounts this time next year. The fact of the matter is – well, I presume you'll be here next year. I know we will. The answer is, again, that we do have money budgeted for this kind of research. If this falls in the scope of it, so be it. If not, we may go to Treasury Board.

Mr. Mason: I'd like to focus on the area of tourism. I did get an opportunity to ask the minister a question this morning in Public Accounts with respect to the tourism campaign that's currently underway. It's, I think, a Travel Alberta piece that has recently started to appear. The minister may want to respond to this in writing, but I would like to repeat some of the questions from Public Accounts.

I'd like to know the amount of this campaign and how much that relates to previous tourism advertising campaigns. I'd like to know if there's more than just the television component, whether it's a multimedia type of campaign, and what the objectives for the campaign are and whether or not they're going to be somehow measured. I'd like to know how the costs are shared. I understand from the minister's responses this morning that costs are shared with the private sector and that there may in fact as well be federal money as part of it. So I'd like a bit of a breakdown on that.

The other question, which I did raise this morning and that I'd like a little more detail on, is how the government makes decisions about engaging companies to provide this kind of advertising service. I understand from the minister that they do use – is it two companies?

– one for inside Alberta and one for outside, and they're separate. The minister is indicating yes, that I'm correct that there are two companies that they operate with. I recall that he said that it's a three-year rolling contract with a one-year sort of notice period, and again he's indicating that that's right.

I'd like to know a little bit more about that and whether or not other companies that are in the business have an opportunity to bid on this work and just what the process is with respect to that. Thank you.

8:50

The Deputy Chair: The hon. minister.

Mr. Norris: Thank you, Mr. Chairman. There are a number of questions there, so I'll try and address your overall concerns, and then if we don't get it, you can readdress the question to me. Does that sound reasonable? Okay.

The overall funding mechanism that we use for tourism is unique to Alberta, and it's called the STMC. The STMC was actually originally structured by the now Minister of Finance. The STMC is a model that the rest of Canada is now looking at with great envy.

What it does quite frankly is gets 14 members in the tourism business, whether they're operators of attractions or hotels or services, and puts them on a board, the same as the film advisory board we were referring to earlier. We then go back to them and say: as a government we have X number of dollars for you to spend; how would you spend it as industry experts? They come back with a plan that we have the final sign-off on.

The reason that we like the plan so much, hon. member, is because it engages the industry, it keeps us in touch with the people who are doing it day-to-day, and then we have the final say. So if there is a request for us to spend money on a \$10 million balloon campaign over McMahon Stadium, we can say that doesn't make a lot of sense to us.

The answer to your question about the two contracts is that Economic Development Edmonton and Calgary Economic Development have formed a corporation called Travel Alberta International, or TAI. TAI is responsible for the marketing of Alberta outside of Alberta. They get some \$6 million to do it. The contract was let – and I'm going to have to get exact numbers for you – some five year ago, I believe, and then renewed two years ago. The job that was being done was deemed to be excellent by industry players, i.e. the STMC, and our department. So that's fair because it involves the two major tourism players as well as the government.

The smaller contract you were referring to is called Travel Alberta In-Province. That's now held by a company called Parcom. I don't know how long they've had the contract for – and I'll get the exact details of it – but it is reviewed annually. It's a five-year contract, and I believe the review of that contract is coming up in one year.

So the answer to your question, hon. member, is that we will be reviewing that in one year. At that time, a decision will be made to (a) retain that company for the good work they've done or (b) go to tender.

When we go to tender, we'll have an RFP. The RFP will state: "The Alberta government has the desire to market Travel Alberta within Alberta, that we have about a \$3 million budget, that these are what our requirements are. Please put your company's best assets together, and we'll review that." Not unlike any other contracts that are tendered. As a result, we keep it open and transparent. The documents are not available, I don't believe, to the public, but as to the exact dates of them I can get you those without any problem. I will get you those if you desire to see them. I gather from the indication that I'm getting that one year is left on the existing Travel

Alberta In-Province, and Travel Alberta International is one year as well. They're concurrent contracts.

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

Ms Carlson: Thank you, Mr. Chairman. I want to do a follow-up question on tourism. The minister knows that I've long supported changing the way the hotel tax is collected and having the industry itself have more control over that tax. I've spoken before about perhaps having that revenue designated to a delegated authority organization that takes the politics out of some of the decision-making and puts it back in the hands of industry, if not the entire tax then some portion of it. Does the minister support that idea? Is he looking at it? Where do we think this is going to go?

Mr. Norris: That is a very, very good question. The hon. Member for Edmonton-Glenora chaired a committee with the hon. Member for Spruce Grove-Sturgeon-St. Albert and the hon. Member for West Yellowhead and others who are not here tonight, and they did come back to the conclusion that in order to get Alberta's marketing dollars to the level that would be competitive with our biggest competitors – British Columbia, Ontario, Quebec – we could look at using that as a method.

That proposal made its way through our caucus to Treasury Board. We were informed by Treasury Board, and rightly so, that it's a policy of the government not to dedicate taxes. So we were asked to come back with a different proposal, which we are doing now, that recognizes nondedication of taxes but some way to tie it to the amount raised by the hotel tax. So what you will have, I guess, is a benchmark generated by the hotel tax still going into general revenue and then money flowing to a department, perhaps mine or another, that is relative to that but not specifically dedicated.

The fear of dedicating taxes is that there are a number of different ways that could happen. The premiums on health care, for instance, now go to general revenue, et cetera. So we want the flexibility to be able to use that money in general revenue but recognize that the hotel tax has some role to play.

I thank the hon. member for her persistence on the question, because we will get to a solution. We do have a cross-ministry initiative working now. My deputy's dealing with the Deputy Minister of Finance, the Deputy Minister of Revenue, and the Deputy Minister of Community Development to look at that question. The answer will not come quickly because it's a very, very major policy shift, and as a result we need to examine all aspects of it.

So I think that I would ask the hon. member to stay tuned. The good news is that we did get another \$5 million this year and for the next three years out, bringing our total to close to \$25 million, that started at \$17 million three years ago. So we're getting there. But with regard to the hotel tax converting to a marketing levy, we're not there yet.

Ms Carlson: I'll comment on that. Twenty-five million is less than half of what B.C. is spending, so, you know, while it's an increase, it doesn't seem very substantive to me.

There are a couple of examples in this province of where taxes have been dedicated, and I point you toward the hunting and fishing licences, which go to the ACA and also the tire tax. So I don't see any difference between that and the hotel tax. It was a surcharge that was levied at that particular time, and I see no difference between the need for dedicated revenues there as there are from the other areas. I would encourage him to continue to work on that and all members of the Legislature to take a strong look at that.

I have another question. That's in terms of what Economic Development's plans are to support and enhance the north/south corridor. That includes, perhaps, a train.

Mr. Norris: Well, before I answer the hon. member's question, I'm going to revert to the tourism question for a minute. The hon. Member for West Yellowhead has brought forward a private member's motion. I believe it's Motion 506. Motion 506 talks about that, so we'll have a very healthy debate in the House about that because that's the way we do things in this particular government.

But the B.C. example is a bit spurless, and I'll tell you why. They do things differently in British Columbia. There is a general funding that comes to the tourism ministry, which I believe in British Columbia is called enterprise, competition, and development. It's not a tourism ministry. They also allow jurisdictions to have a separate tax, a hotel tax, which is regionalized into four areas: Whistler-Blackcomb, Vancouver, Vancouver Island, and the interior. So money is generated in those areas and flows back to the municipalities.

Talking to my counterpart there as to whether it's a good or a bad idea, he said that it's a way to raise money, but he wasn't in favour of it, having tried it, because the messaging that comes out of the province is very fragmented. The interior of British Columbia is tackling entirely different markets than the coast, as is Whistler, and you end up with three or four different messages, whereas if you've seen – and you alluded to our messaging earlier, hon. Member for Edmonton-Highlands. We have one message coming out about Travel Alberta. It's a remarkable opportunity and a great place to be, and we can control it the way we'd like to in partnership with industry, who take ads with us. So I think we're going to stick with our path and then, hopefully, get the funding equivalent up to where it needs to be.

Your question second to that was about the Edmonton/Calgary corridor, a remarkable story by any measure, the fastest growing economic region in North America, second only, I guess, to Luxembourg. So massive amounts of growth and success, massive amounts of challenges. What we continue to do through that KPMG study is try and identify with the cities of Edmonton and Calgary and Red Deer and our regional alliances what are the challenges. There are some fairly significant things coming out. Part of the way to tackle it is through regional economic alliances. In the capital area there's one called ACRA, which is the capital region. I know that the hon. Member for Edmonton-Highlands and, I believe, the hon. Member for Edmonton-Glenarry are well aware of them because they both served on them, I think. Calgary has a similar economic development organization, and Red Deer belongs to CAEP, Central Alberta Economic Partnership. What these organizations do is tell the government on a regular basis what the growth challenges and the barriers are. So recognizing the massive amount of growth that's come out of that particular corridor, it does demand our attention, and we're giving it in that particular way.

9:00

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

Ms Carlson: Thank you, Mr. Chairman. Is Economic Development hooked up to the SuperNet? If so, how much are you charged? How much do you pay your service provider, and who is it?

Mr. Norris: I'm not sure I heard the beginning part, but first may I inform the House, Mr. Chairman, of some remarkable developments tonight? The Edmonton Oilers have won 3-1. So now if they win

their next game and Nashville loses the next two, economic development in Edmonton is going to go through the roof because we'll have the playoffs, thank God.

Your question about the SuperNet. I didn't hear the first part, but I believe you must know that the SuperNet falls under the Ministry of Innovation and Science. I see the minister here; he's probably going to discuss it when he has his turn at bat. We don't have an economic involvement in it, if that's what you're referring to.

Ms Carlson: Are you hooked up to it? That was my question.

Mr. Norris: To the SuperNet? Well, every municipality in Alberta eventually will be.

I want to say one thing. The Member for Wainwright and the Member for Innisfail-Sylvan Lake, who brought forward the rural development strategy, understand the SuperNet's vast potential for rural development. We will be attached to the SuperNet just by default, being in a municipal building.

Ms Carlson: That gets to the heart of my question there. As a municipal building then, does it come within your budget to pay for the hookup or at least the service provider? If so, could you tell me where I'd find that in the budget book?

Mr. Norris: No, I can't answer the question, so I will attempt to get it. The IT for the government of Alberta flows in a number of different ways. A lot of it goes through the Minister of Government Services, and a lot of it goes through the Minister of Innovation and Science. So the answer to your question is yes, we have a budget for IT within our department to provide for things such as personal BlackBerry computers, phones, et cetera. I don't know who our service provider is. I can find out, but I suspect it probably runs through the Minister of Government Services. Anybody up there want to offer something? Is that roughly the right idea? They're all shaking their head, no. You're supposed to say yes. Okay.

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

Ms Carlson: Mr. Chairman, if you could just provide some detail, then, for us, divide out some of the IT spending, that would be helpful.

I think my last question for the evening is going to be a little bit on rural development. We've talked before about your plans to expand tourism into rural communities as a way of looking at helping economic development in those rural areas. We all know in this Assembly that they've suffered some impacts over the past decade, and while the minister and I differ on the impact of having taken regional offices out of rural areas, certainly I still say that there was some impact there. So in addition to the possible potential for value added on the tourism side, what else is your department doing to help revitalize rural Alberta?

The Deputy Chair: May I just advise everybody that the one hour has elapsed. If anybody else wishes to participate in the estimates, they are able to do so now.

The hon. minister.

Mr. Norris: Well, seeing that the hour has lapsed, Mr. Chairman, I'll keep my answer brief. Very simply, yes. The answer to your question is yes. We understand that the biggest problem with tourism in Alberta is the migration west. People come to Calgary to see the Stampede or other opportunities there – the Calgary Zoo, Heritage Park – then they go into the Rockies. They tend to go west.

The same thing with Edmonton. We want to make them go east to Bonnyville or Lac La Biche to see the mission or to see the Drumheller badlands or to see the remarkable Iron Horse Trail in the Bonnyville-St. Paul area.

The rural development strategy, that the members for Wainwright and Innisfail-Sylvan Lake co-chaired, does speak to that. Part of the new money that we have, hon. member, in answer to your question, is to look at rural development in a different way of combining tourism, and that will be in product development. That may be in some strategic help for them to get their product ready to be marketed. That may be as simple as Travel Alberta travelling out and saying: here's how you market your product; here's how you do a newspaper ad. All those things are part of our plan, and I think that to date Travel Alberta has done some – how many road shows would you suggest? Five? Five to date. They go as far north as High Level and Fort Chip and anywhere else in the province that requires it to help with that.

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

Ms Carlson: Thank you, Mr. Chairman. I just thought of one more question, and it's with regard to tourism again. What has the impact of the Canadian dollar been on the tourism industry over the past year in terms of its relative relationship to the U.S. dollar?

Mr. Norris: Well, it would be very hard to quantify the American dollar. Suffice it to say that it has been a challenge; there's no doubt. That's why this industry to me is so particularly interesting. But we've also been faced with mad cow, SARS, a national airline that's in turmoil – a bankrupt national carrier doesn't help tourism; I can tell you that – and what you mentioned, hon. member. The American dollar is still advantageous to us, and we use it in our marketing to say, "Stay for three nights and pay for two," those kinds of things. It does go up and down, but it is still an advantage.

I don't know how to quantify that without taking out some of the other pieces, but I will give it some thought and get you a written answer.

Ms Carlson: Thank you.

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

Mr. Mason: Thank you, Mr. Chairman. I appreciate the minister's answers to the questions on the issues that I've raised. I did want to take this opportunity, however, to make a brief statement with respect to the Fort McMurray rail project, which I continue to believe is a very curious development indeed.

First of all, I'd like to indicate that no mention is made in the three-year capital plan in Budget 2004 of a rail link to Fort McMurray or even a feasibility study. Further, there's no mention of the Fort McMurray rail link in the government's 20-year strategic plan, which was released two weeks ago. There hasn't even been a government news release put out with anything to do with a Fort McMurray rail link or a provincial contribution to a feasibility study. There's no mention of a Fort McMurray rail link in the three-year business plan for the Ministry of Economic Development or in the business plan of any other government ministry that I've been able to find. The contribution of \$1.25 million for the feasibility study is not included in the 2004-05 budget estimates for the Ministry of Economic Development.

I found the minister's answers to be a little bit contradictory on that point, that he may find some of the money within existing programs. So the question that remains in my mind is: was this

really anticipated in the development of the budget? If not, what's going to be cut in order to pay for it? There are no increases in the line items in the Economic Development budget estimates that would allow for a \$1.25 million contribution. By funding the feasibility study, something else will be cut, unless it is expensed as a supplementary requisition. Suddenly, Mr. Chairman, we're committed to a \$1.25 million feasibility study, and if statements by the government are to be believed, \$300 million may be committed towards this venture, which may include a rail link or perhaps a toll road to Fort McMurray; perhaps both, I guess. Meanwhile, out of nowhere there's this company with clear connections to the Tories, including Mr. Rod Love, the Premier's former chief of staff, as a consultant. It really raises a question of why we have this project suddenly on the front burner.

9:10

In addition, Mr. Chairman, it would seem that infrastructure investment, including feasibility studies, are generally not within the purview of the Economic Development ministry. Since we're talking about rail, this ought to be within the jurisdiction of the Minister of Transportation. So the question really arises: why is the Minister of Economic Development even handling the file? Even by the standards of this government all of this is rather strange and peculiar.

Another puzzling thing, Mr. Chairman. Normally when the government decides to undertake a major capital investment, a preliminary feasibility study is done prior to a full-blown feasibility study. A preliminary feasibility study is publicly tendered by the government and costs in the range of a hundred thousand dollars or so. The preliminary feasibility study for the proposed Meridian dam near Medicine Hat is a good example of this.

So why should it cost so much just to study rail and road links to Fort McMurray? We'd like to know what exactly is going to be produced for this considerable investment of public funds. Why wasn't this large expenditure of public funds tendered? Who is paying for Mr. Love's consulting services? Will any of the public funds directly or indirectly end up being paid in commission to Mr. Love or his consulting company?

These are all questions, Mr. Chairman, that over time will demand answers. Thank you.

Mr. Norris: Well, Mr. Chairman, I know that in the interest of time people wanted to wrap up, but there was so much of a drive-by smearing there that I am compelled to answer. I'm somewhat disappointed. I have to say that not 20 minutes ago the hon. member was suggesting that he enjoyed listening to the answers about the project and would keep an open mind, when clearly he came with nothing of the kind. So I could sit down and say nothing, but I'm not going to do that because there was so much damaging commentary in that that I'm going to address it. I'm going to address it for him to hear now, and I'm going to say that you've damaged the discussion and dialogue we had. From here on in probably I will just give written answers. So if that was the game plan, congratulations. You accomplished it.

Your comment is a number of different ones, so I'll start with: where does it fit in? I said earlier that our budget contains budgets for strategic initiatives throughout the year. We don't know throughout the year what's going to come up, so we have money budgeted for it. This particular project came to us in an interesting way, through private enterprise who wanted to look at us growing with it. It sped up faster than we thought because of the massive concerns about cost overruns, the fact that three new projects have signed up in the last three months, that some 14 billion dollars'

worth of new investment is now on the books. As a government we said that it is imprudent in every single way, shape, and form not to deal with the concerns of the industry: why are they worried about that?

So where does it fit in in the overall government plan? Well, I'll tell you. Here's our document. It's the value-added strategy *Securing Tomorrow's Prosperity*. I'll just highlight a few of the ways that it fits in with our plan that don't relate to the business plan that you are looking at, which is a very technical document.

Our strategic plan has now been approved and will be released I believe on the 21st of April. The first one of many things that it calls for is that the Alberta government look at ways to improve ability to educate.

So are you interested, or should I stop?

Mr. Mason: I am.

Mr. Norris: No. You know what? I'm not going to bother.

The Deputy Chair: Any further questions?

After considering the business plan and proposed estimates for the Department of Economic Development for the fiscal year ending March 31, 2005, are you ready for the vote?

Hon. Members: Agreed.

Agreed to:

Operating Expense \$57,509,000

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the committee rise and report the estimates of the Department of Economic Development and beg leave to sit again.

[Motion carried]

[Mr. Shariff 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 sumnot exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2005, for the following department.

Economic Development: operating expense, \$57,509,000.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 9:17 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]