

Legislative Assembly of Alberta

Title: **Thursday, April 1, 2004**

1:30 p.m.

Date: 04/04/01

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. We confidently ask for strength and encouragement in our service to others. We ask for wisdom to guide us in making good laws and good decisions for the present and the future of Alberta. Amen.

Please be seated.

head: **Introduction of Visitors**

Ms Calahasen: Mr. Speaker, it is my pleasure today on behalf of my colleague from Lac La Biche-St. Paul to introduce to you and through you to Members of the Legislative Assembly the Kikino Métis settlement council and Elders Committee. They are here today to observe the proceedings and to witness the introduction of Bill 30, the Metis Settlements Amendment Act, 2004, which will be introduced later by our Member for Bonnyville-Cold Lake. I ask that they stand as their names are indicated. Seated in your gallery are Floyd Thompson, the chairman; Denise White, councillor; Randy Hardy, councillor; Henry White, elder; Reuben Pruden, elder; Elmer Erasmus, elder; Harry Hope, elder; Harrison Cardinal, elder; Tyrell Erasmus, youth; Leslie Erasmus, councillor. I'd ask that they all stand and receive the warm welcome of the Legislature.

The Speaker: The hon. Member for Calgary-West.

Ms Kryczka: Thank you, Mr. Speaker. I'm really pleased to introduce to you and through you to the members of this Assembly this afternoon my favourite high-energy alderman for ward 6, Craig Burrows. Would the alderman please rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for Calgary-Shaw.

Mrs. Ady: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you a former political opponent and now a solid political ally who is helping the area of south Calgary get much-needed infrastructure. He's also known on city council as Dr. No, a tight-fisted alderman on spending policies. He's the alderman for ward 12. Could I ask Ric McIver to stand and please receive the warm welcome of the Assembly.

The Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Speaker. It's my pleasure to note a number of my friends and former colleagues here today, and I'm going to introduce one of them to you and through you to all members of this Assembly. He's the alderman for ward 11, which covers part of Calgary-Currie and immediately south of the ward that I used to represent. We worked on many issues together. He has one of Alberta's most popular radio talk shows, the Sunday morning gardening show on QR 77. He's our horticulture expert, resident green thumb guy on city council, and famous for his many environmental initiatives. May I ask Alderman Barry Erskine to rise and receive the warm traditional welcome of this Assembly.

Mr. Speaker, I have a second guest that I would also like to introduce here, also a friend and fellow elected official. He's no

stranger to this House, having served as an MLA here for a number of years. He's now on Edmonton's city council. He's also on the provincial secondary suite building regulations review committee with me. May I ask Ed Gibbons, councillor for ward 3, to stand and receive the warm traditional welcome of the Assembly as well.

head: **Introduction of Guests**

The Speaker: The hon. Deputy Speaker.

Mr. Tannas: Thank you, Mr. Speaker. I'm pleased today to introduce to you and through you 40 members of the Girl Guides of Canada, Alberta council, and 4-H club who are participating in the Alberta Girls' Parliament. They are accompanied today by head adviser, Edie Jubenville, and leaders Sherry Gurjar, Claudette Vague, Bernadette O'Connor, and Vanessa Padoani. They are seated in the public gallery this afternoon, and I'd ask them to rise and receive the warm traditional welcome of this Assembly.

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

Mr. Ducharme: Thank you, Mr. Speaker. It's certainly a pleasure and a privilege to introduce to you and through you to all the members of the Assembly students and parents and teachers from the Ardmore school from the Bonnyville-Cold Lake constituency. There are 33 students that are here today, and they are accompanied by their teachers, Mrs. Jackie Wakaruk, Mr. Alan Middleton, and parents Val Buckingham, Charlotte Brosseau, Carol Gillett, Tracey Hofer, Gloria Pura, Sonia MacDonald, Therese Scott, Darryl Waterfield, Cindy Wilson, Lise Langridge, and Sylvia Lavoie. I'd ask that my guests please stand and receive the traditional warm welcome of the Assembly.

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

Mr. Lougheed: Thank you, Mr. Speaker. I'm pleased to introduce today a graduate of Ardrossan high who is currently at the University of Alberta taking arts and thinking about moving into the political science area. She's also a vice-president of Students for a Stronger Alberta. I'd ask Julie Bohaychuk to rise and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Member for Wetaskiwin-Camrose.

Mr. Johnson: Thank you, Mr. Speaker. Recently it was my pleasure to visit and speak to a class of political science students at Augustana University College. Today those same students are with us to find out what really goes on in the Legislature and what really goes on in government. These 31 students are accompanied by Dr. Roger Epp, who is their instructor. Dr. Epp is also the academic dean at Augustana University College, soon to be the Augustana faculty of the University of Alberta. They're sitting in the public gallery, and I'd like to ask them to rise and receive the warm welcome of the Assembly.

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

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to introduce to you and through you to this Assembly the Hanley family, who reside in my constituency of Edmonton-Highlands. They are seated in the public gallery. Michael Hanley is here because he's concerned about the long waiting lists for surgery in our province, and he's brought with him his wife, Barbara Hanley,

and their three children, Miles, Marissa, and Aaron. I'm very pleased that it's spring break in Edmonton this week and the whole family is able to join him today. They're here to observe the proceedings. I would ask them to rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Member for Grande Prairie-Smoky.

Mr. Knight: Thank you, Mr. Speaker. It's indeed a pleasure for me to rise today and introduce to you and through you to members of the Assembly a gentleman from the Grande Prairie-Smoky constituency who has served Albertans for a number of years, both in the Legislative Assembly and on numerous boards and in other municipal and regional authorities, and is currently the chair of the Peace regional health authority. I would ask Marvin Moore to please stand and receive the warm welcome of the Assembly.

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

Ms Kryczka: Thank you, Mr. Speaker. I am really pleased today to introduce to you and through you to the members of this Assembly members of the Seniors Advisory Council for Alberta who are in Edmonton for two and a half days for their quarterly meeting. The council's mandate is to communicate with seniors and seniors service providers in Alberta and then advise government through recommendations to the Minister of Seniors on what they have heard. As chair I really appreciate their commitment to the seniors of Alberta.

Jim Acton, from Edmonton and area; Diane Caleffi, Calgary and area; Ellen Kemp, east-central region; Dennis King, southern region; Leonard Olson, northwest region; Evelyn Onofryszyn, west-central region; Janet Tomalty, northeast region; Dr. Sandra Hirst, Alberta's universities; Dr. David Belcher, Alberta Medical Association; and our very valuable staff we could not do so well without: Dianne Laird, our manager, and Jackie Katan, our administrative co-ordinator. Please receive the warm welcome of this Assembly.

head: 1:40

Oral Question Period

The Speaker: First Official Opposition main question. The hon. Leader of the Official Opposition.

Coal Bed Methane

Dr. Taft: Thank you, Mr. Speaker. Coal bed methane could be of huge value to Alberta, or it could be an environmental and social disaster. Farmers and ranchers are nervous about its impacts on land, air, and water. My questions are to the Minister of Energy. Given that over a thousand coal bed methane wells have already been drilled and that even as we speak many more are being drilled, how many wells is this government prepared to allow before proper coal bed methane regulations are in place?

Mr. Smith: Well, Mr. Speaker, not only are appropriate regulations in place now, world-best regulations are in place now for the drilling of natural gas and the drilling of petroleum products and hydrocarbon products. The ability for us to work with a world leading regulator, a world's best regulator such as the Alberta Energy and Utilities Board, has brought fabulous benefits to this province. With respect to discussions specifically of coal bed methane, or gas in coal, we're actually going to be in the process of consulting about this new type of product.

Now, Mr. Speaker, this new type of gas is found in the coal beds

throughout Alberta. Alberta is literally covered with coal, from Manyberries to Keg River and Paddle Prairie. Inside those coal beds our early experience indicates that we are not going to have the issues that we have seen in the United States.

For example, Mr. Speaker, in Powder River basin in Wyoming there was a tremendous discharge of water associated with the production of natural gas. That is not occurring in our production of mid-level coal bed methane. In fact, we have invited, as has the industry, many people who are going to see this unfold and grow so that there's total awareness, total information, and total transparency as Albertans share in the benefit of yet another great resource.

The Speaker: The hon. leader.

Dr. Taft: Thank you, Mr. Speaker. Well, given the commitment to total transparency, will the minister then confirm here and now that committee members in this consulting process will have full access to all relevant records kept by the EUB on coal bed methane drilling and production in Alberta?

Mr. Smith: Yes.

The Speaker: The hon. member.

Dr. Taft: Thank you. Finally, to the same minister: why is that same multistakeholder consultative committee prohibited from addressing the crucial issue of landowner compensation paid by the companies drilling these wells?

Mr. Smith: The member gets going so well on our last day here and then just kind of breaks down at the end. He knows full well that that's a commercial issue and is clearly covered in the rules that exist today. All he has to do is look at the process that's in place.

The Speaker: Second Official Opposition main question. The hon. Leader of the Official Opposition.

Emergency Preparedness

Dr. Taft: Thanks, Mr. Speaker. Yesterday the Senate Committee on National Security and Defence released a report entitled National Emergencies: Canada's Fragile Front Lines. This report shed light on an emergency preparedness system in Alberta that, for all its strengths, is suffering from a lack of resources, a lack of support, and a lack of co-ordination. My questions are to the Minister of Municipal Affairs. What has the minister or his department done to address concerns from officials like Bob Black, director of the office of emergency preparedness for Edmonton, who claims that Emergency Management Alberta's policies are leading to, quote, poor co-ordination across the province?

The Speaker: The hon. minister.

Mr. Boutilier: Thank you very much, Mr. Speaker. I'm glad the Leader of the Official Opposition brought up this issue, because the comments that were made by the particular individual are a year and a half late, premature in terms of what it was that was said, misinformed, and simply incorrect.

The Speaker: The hon. leader.

Dr. Taft: Thank you, Mr. Speaker. How does the minister justify Emergency Management Alberta's policy of treating major cities

like Edmonton and Calgary the same as small hamlets for emergency and planning purposes?

The Speaker: The hon. minister.

Mr. Boutilier: Thank you, Mr. Speaker. Indeed, it was my pleasure right here in the city of Edmonton in December, where the Deputy Prime Minister of Canada joined myself and the Minister of Infrastructure in opening a model for all of Canada. I want to in fact quote, if I could, the Deputy Prime Minister when she says – and I will table this – that this Alberta model is the first of its kind in Canada, and it's a model for every other province in Canada to follow, and it's right here in the city of Edmonton. I'm very proud of it.

The Speaker: The hon. leader.

Dr. Taft: Thank you, Mr. Speaker. Again to the same minister: why does this government provide funding for emergency services and preparation to small communities but none to cities, even though most Albertans live in cities?

Mr. Boutilier: Mr. Speaker, the preamble was simply not true once again. In fact, in this past year \$1.8 million has gone to municipalities in terms of dealing with things to be able to plan for, respond to, and recover from. Just before the new year the American ambassador visited again the emergency operation centre that we host right here in the city of Edmonton, and his comment was: it is comforting to know that the province of Alberta is so far in advance in its good effort in emergency preparedness.

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

Appeals Commission

Mr. MacDonald: Thank you, Mr. Speaker. In a memo dated January 6, 2003, from Mr. George Pheasey, chief appeals commissioner, to all hearing chairs and appeals commissioners regarding MLAs appearing before the Appeals Commission, there is this quote: "At two previous Hearing Chair meetings, concerns were raised regarding MLA's and/or Minister's appearing at hearings." My first question is to the Minister of Human Resources and Employment. What are those concerns regarding MLAs or ministers appearing before the Appeals Commission?

Mr. Dunford: I think it was a letter from the chief appeals commissioner, if I heard the preamble right. If he's on a fishing trip, I guess that we'll see what the supplementaries bring.

Mr. MacDonald: Again to the Minister of Human Resources and Employment. In this memo it states – and this is from George Pheasey, the chief appeals commissioner . . .

The Speaker: Hon. member, we have no preambles. Get to the question.

Mr. MacDonald: "I will then advise our Minister with a request that he/she discuss the matter with the individual MLA." How can the minister be at arm's length from the Appeals Commission when this information is in this memo?

Mr. Dunford: I'm not at arm's length from the Appeals Commis-

sion. The Appeals Commission is part of our ministry. That was part of the reform that we went through, you know, in the last couple of years in terms of how workers' compensation would be administered in this province. The imperative was to move the Appeals Commission from WCB, so it found a home within Human Resources and Employment.

Mr. MacDonald: Again, Mr. Speaker, to the same minister: why was this issue of MLAs appearing or not appearing before the Appeals Commission not discussed publicly in the last two reviews of the WCB act that were conducted in this province?

Mr. Dunford: I've just heard a little aside from one of the chairs of the committees: it simply never came up.

If he is trying to infer something, I wish he would be direct and just come out and say. What is on your mind, hon. member? We'll try to deal with it. But, again, this is the same hon. member that we've all gotten to know and some of us even love, I suppose, but with innuendo, inferences always around the little issue instead of dealing with it directly. You know, I don't know how many times I've heard from the opposition about coming clean. Well, maybe it's time that he came clean.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Bonnyville-Cold Lake.

Rail Link to Fort McMurray

Mr. Mason: Thank you very much, Mr. Speaker. A \$1.25 million contribution by the ministry of economic development and trade to a company fronted by the Premier's former chief of staff isn't in the ministry budget. It's not in the government three-year business plan or in the 20-year strategic plan. Earlier today I wrote to the Auditor General about the apparent failure of the government to follow its own tendering rules. My question is to the Minister of Finance. As the minister responsible for the province's finances does she support the request for an investigation by the Auditor General prior to releasing the government's \$1.25 million contribution to this new company?

1:50

Mrs. Nelson: First of all, Mr. Speaker, let's get the record straight. In the estimates that were up before the House last night for the Department of Economic Development, the minister clearly said that there's a category that allows them to go into feasibility studies under business development investment, under, I think, vote 4 in the estimates of that department. Was this a line item identified in there? No. They never are because these opportunities come up throughout the year and they're funded through that category.

Insofar as the Auditor General's review he will be beginning the audit process probably in the next few days of all departments, of all ministries of this government, and he will validate the appropriateness of the expenditures that have taken place within those departments.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Given that the minister said last night that he may have to come to Treasury Board to find all of the money, will the minister tell the House whether or not rules that require public tendering of government contracts were followed in the \$1.25 million being provided to the Athabasca Oil Sands Transportation Corp. and its front man, Mr. Love?

Thank you.

Mr. Norris: With all due respect to the hon. member opposite, if he has a question for the Ministry of Economic Development, he could probably look at me and ask me, and I'll tell him, and I'll give you the exact answer, Mr. Speaker.

In our department there are two methods of operating these kinds of opportunities that we're experiencing right now. One of them is if the department itself chooses to examine an opportunity for Albertans and Alberta companies. Then we would look for a company to work with us, and we would do a request for proposal.

The other opportunity, Mr. Speaker, is when a company comes to us and says: we believe that this is in the best interests of Albertans to create jobs, new revenue, new taxes. In that case, we have what's called a granting mechanism, which falls under our industry development department.

The hon. member asked last night, and he's asking again today

...

Speaker's Ruling

Oral Question Period Practices

The Speaker: We're going to go on to the third question. As I understand in reading the *Hansard* from last night, there are two hours available for each of the estimates. Two hours were not even spent on this department last night. We're not going to use the time of question period to go back to another department. I also understand that these estimates were passed.

The hon. member.

Rail Link to Fort McMurray

(continued)

Mr. Mason: Absolutely, Mr. Speaker. Will the Finance minister put a stop-payment on her colleague's \$1.25 million cheque until proper tendering procedures are followed? If not, why not?

Mrs. Nelson: Well, Mr. Speaker, for the third time the Minister of Economic Development has gone through the process of evaluation that they use within their department to determine whether they get involved in an assessment process that is not unusual. If the hon. member would like him to repeat that, I would ask the Minister of Economic Development to please rise and go through the process slowly so the hon. member opposite can get it.

The Speaker: No. You'll need the permission of the chair.

The hon. Member for Bonnyville-Cold Lake, followed by the hon. Member for Edmonton-Glengarry.

Cold Lake Fish Fry

Mr. Ducharme: Thank you, Mr. Speaker. The infamous Cold Lake fish fries are known throughout Alberta and across Canada as a northeastern Alberta delicacy and a signature trademark of the city of Cold Lake. So it is with great concern that I question the future of the annual Cold Lake Chamber of Commerce fish fry. My question is to the Minister of Sustainable Resource Development. Why are the organizers of this annual fundraising event being told that they cannot hold a fish fry this year?

Mr. Cardinal: Mr. Speaker, I know that this good MLA is not on a fishing trip. In fact, we are not preventing the fish fry from happening this summer. We're only trying to find how we're going to approve it, and you can be sure, hon. member, that you will get the approval.

Mr. Ducharme: Thank you, Mr. Speaker. I certainly appreciate the

response that I got from the minister, but I do have one last question for him. Given that the fish consumed is purchased from local commercial fishermen, can the minister assure me that as he reviews these regulations common sense will prevail so that not only this fish fry but other fish fries will not be jeopardized in the province?

Mr. Cardinal: Well, Mr. Speaker, you know, in this House, in this government we do operate with a lot of common sense.

Now, in this particular case it also involves federal legislation, so it is complicated, but we are within the process.

The Speaker: Hon. Member for Bonnyville-Cold Lake, are you finished?

Mr. Ducharme: Yes, sir.

Highway 3

Mr. Bonner: Mr. Speaker, in consultation with the municipality of Coleman Alberta Transportation endorsed a south route for highway 3 from the B.C. border to the Frank slide all the way back in 1977. Sometime in 2003, however, this government decided to conduct another functional planning study on highway 3 to determine whether a northern or a central route would be more suitable. As it turns out, the study has suddenly recommended the consideration of a very controversial northern route. To the Minister of Transportation: given that the south route has been gazetted since 1977, why has this ministry suddenly decided to revisit this decision?

Mr. Stelmach: Mr. Speaker, no decisions have been made on any changes in any corridor. There were various presentations from elected officials in that area in terms of safety, efficiencies, and as a result of their approaches to their MLA and to our department we are studying some of their proposals at least.

Mr. Bonner: To the same minister: why were area residents not informed of this study until an open house in January of 2004, which was so poorly advertised that few residents even knew that alternate routes were being considered?

Mr. Stelmach: I'm kind of perplexed here, Mr. Speaker, because there was not only an open house, but through the good help of the local MLA there was a large gathering at a chamber of commerce meeting, which was a headline for that week in the local paper, also discussions ongoing amongst elected officials and residents, and certainly a number of presentations made to the local MLA.

Mr. Bonner: To the same minister: given that this government has purchased much of the land for the south route and area residents have purchased land and developed homes where the north route has been proposed, why has this government suddenly changed its mind?

Mr. Stelmach: Again, Mr. Speaker, no decisions have been made. Perhaps the hon. member does realize that the province at times buys land in some situations as much as 30 years ahead of its time. One of the examples of that is all of the land we purchased for the two ring roads around Edmonton and Calgary, and that was the very visionary government of the day under Premier Lougheed.

Reforestation

Mr. VanderBurg: Mr. Speaker, Alberta's forests and forest companies are important to the provincial economy. In Whitecourt-Ste. Anne Alberta Newsprint, West Fraser, Millar Western,

Weyerhaeuser, and hundreds of contractors are means of employment and investment. These same forests and the forest companies are being significantly impacted by a number of natural factors, such as wildfires. When wildfires burn through an area, they can have a devastating effect on existing forests as well as areas that were recently reforested by companies. Can the Minister of Sustainable Resource Development advise the House what funds from the department's budget are allocated to reforesting these areas?

Mr. Cardinal: Thank you very much. Mr. Speaker, that is a very important question. Reforestation is and will . . .

Speaker's Ruling Oral Question Period Practices

The Speaker: Hon. minister, it seems to me that we've already approved the minister's budget earlier this week. Is this not correct?

Mr. Cardinal: Yes, we have.

The Speaker: Time was spent on determining what was in the minister's budget, and the Assembly has approved it?

Mr. Cardinal: It's approved, yes.

The Speaker: And all members can participate? And this is question period?

So let's go on to the second one.

Mr. VanderBurg: Forget it.

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

2:00 Inspection of Long-term Care Facilities

Ms Blakeman: Thank you, Mr. Speaker. One of the ways government can ensure high-quality, safe care for our seniors is to regularly inspect long-term care facilities. The state of Massachusetts takes this seriously, with unannounced inspections of all facilities done by a professional team of nurses, social workers, and dietitians. Inspections can take up to a week. All aspects are inspected, measured, and evaluated, and compliance must be met to have the operating licence renewed. My question is to the Minister of Health and Wellness. When can Alberta seniors expect to have an independent body of professionals conducting thorough, surprise inspections of long-term care facilities?

Mr. Mar: Mr. Speaker, it surprises me that the hon. member would bring an example from the state of Massachusetts and suggest that we bring it here. Maybe we're finally getting through to her with respect to trying to bring in ideas from other jurisdictions.

Mr. Speaker, we do have a facility review committee that does review facilities on a rotational basis. They enter facilities unannounced, and reports are provided. The work is capably done by individuals within the department, and the people that are appointed to this particular committee, I can assure you, do very good work.

The Speaker: The hon. member.

Ms Blakeman: Thank you. It's government requirement, Mr. Minister.

When will Albertans be able to access published inspection reports on these long-term care facilities, as the Americans already can?

Mr. Mar: Mr. Speaker, again I'm surprised that the hon. member would bring forward an American example to benchmark Alberta to.

When complaints are made, the review committee goes in. The review committee also goes in on an unannounced basis. Corrections are made with the facility operators. It's done with the cooperation of regional health authorities as well.

The Speaker: The hon. member.

Ms Blakeman: Thank you. There's nothing in place here that's the same.

Given that Massachusetts reviews every three months the prescription drugs that each long-term care resident is taking with the intent to reduce the use of unnecessary medication, when can Alberta seniors expect regular review of their drugs?

Mr. Mar: Actually, Mr. Speaker, I think this is quite a good suggestion. If the hon. member wants to bring forward the regulations or the procedure by which such drugs are reviewed for seniors, I'd be more than interested in seeing it.

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

Ground Ambulance Services

Mr. Jacobs: Thank you, Mr. Speaker. Some of my constituents in rural Alberta are expressing concerns about the announced program of transferring ground ambulance governance and funding from municipalities to regional health authorities. My first question is to the Minister of Municipal Affairs. How will this transaction affect the delivery of ambulance services to people who live on outlying farms and in rural communities?

The Speaker: The hon. minister.

Mr. Boutilier: Thank you very much, Mr. Speaker. Of course, in Budget 2004 \$13 million was announced for the ministry of health for ambulance service delivery; next year, \$55 million.

Let me say this, Mr. Speaker. In many municipalities across Alberta the system is working excellently just the way it is right now. We want to build on that excellence in this way: provide money to municipalities through regional health authorities so that, in fact, it will give municipalities greater breathing room and, at the same time, the excellent ambulance service that they have been enjoying. I see this as an enhancement to an already very good ambulance service.

Mr. Jacobs: To the same minister: given that many rural services are fire/ambulance emergency oriented, how will this program change affect municipal delivery and administration?

Mr. Boutilier: Mr. Speaker, obviously, we're looking for a seamless approach. Once again, if the system is working well and it's not broken, I see this additional money going into helping RHAs. I see a contract from an RHA going to a municipality if the system is working well and it's efficient today. If there's a way to build on that efficiency, certainly we want to do that.

I do know that within Alberta, rural and urban, there are very good systems in place. This money, I know, is welcomed by municipal leaders in terms of helping them with some of the pressures they're facing within this province.

Mr. Jacobs: Mr. Speaker, to the same minister: will there be rural

grassroots involvement and representation on the implementation committee?

The Speaker: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Thank you, Mr. Speaker. That type of consultation is so critically important. I'm going to ask the Minister of Health to supplement specifically on this point.

Mr. Mar: Mr. Speaker, the short answer is yes. We, of course, understand the need to deal with regional health authorities and their representatives as well as the municipalities involved as we begin this transfer. Exactly how the transfer and implementation will take place has not yet been fully determined, but I can advise the hon. member in this House that beginning on April 6 there will be representatives of regional health authorities and municipalities working together to identify some of the opportunities and some of the challenges involved in this transfer.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Edmonton-Strathcona.

Kingsway General Insurance Inc.

Mr. MacDonald: Thank you, Mr. Speaker. To the Minister of Finance: given that Kingsway General Insurance has temporarily discontinued writing new business in the portion of the province north of latitude 55 effective January 1, 2004, has Kingsway General alerted the minister that they will now resume writing insurance policies in Grande Prairie and Fort McMurray?

Mrs. Nelson: Well, Mr. Speaker, as the hon. member opposite knows, we've been in a legal situation with this particular company, so I'm reluctant to make comment on their operations.

Mr. MacDonald: Given that this has nothing to do with any legal situation, to the same minister: what effect does Kingsway General's action of failing to write new policies for consumers affect the auto consumers in Grande Prairie and Fort McMurray who are trying to insure a vehicle, whether it's for business or for pleasure?

Mrs. Nelson: Well, Mr. Speaker, again, I'm reluctant to make comment on the relationship with this as it has been before the courts.

Mr. MacDonald: Again, Mr. Speaker, to the same minister: given that on Tuesday in this House the minister stated that the insurance industry is "looking forward to the new structure," why isn't Kingsway General Insurance on board with your reforms? Why are they walking away from part of this market?

Mrs. Nelson: Mr. Speaker, clearly, 90 per cent or 97 per cent of the industry, in fact, are looking forward to the new structure. They're anxious to see a new go-forward plan come out of all of the deliberations and the consultations that have taken place over the last year. This has been a very difficult file for everyone concerned, and they'd like to see an end to it and a new beginning start. With the leadership of the Member for Medicine Hat at the helm of the implementation team that's exactly what is coming forward. We're very close to having the new system in place, and we'll be operational this summer. I have explained that to the hon. member opposite a number of times. The industry is looking forward to a new structure and an end to the controversy that we've had this last year.

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

Oil Sands Royalties

Dr. Pannu: Thank you, Mr. Speaker. Hundreds of millions and potentially billions of dollars in provincial revenues hang in the balance because of a dispute between Suncor and the government over whether their proposed Fire Bag oil sands project or venture is a separate project or an extension of their existing operation. Oil sands projects already receive excessively generous royalty holidays on their capital costs, allowing them to pay few if any royalties for many years after the project construction. My question is to the Minister of Finance. Why would the government design a royalty holiday regime with so many loopholes in it that Suncor can take the position that their Fire Bag project is simply an extension of their existing operation?

Mrs. Nelson: Well, you know, Mr. Speaker, it would only come from that side when someone would criticize \$50 billion of capital investment in this province, attracting the largest migration of people to a province in the history of this entire country.

Particular to the details of this situation I'll ask the Minister of Energy to respond.

2:10

Mr. Smith: Well, Mr. Speaker, again, the member's improper, inaccurate preamble that it's an excessively generous royalty structure – it is not. It is a fair and equitable royalty structure that, as the Minister of Finance has appropriately stated, has not only attracted the investment, but two things happen with a growing economy: one, investment pours in and, secondly, people go to work. In fact, there are over 470,000 new jobs since the Member for Calgary-Elbow became Premier Ralph Klein, or however I'm supposed to say that. Investment, has doubled. Retail sales have doubled.

With respect to the specific issue of the oil sands royalty and our discussions with the company those discussions are ongoing. They are an interpretation of the transition agreement and the interpretation of the oil sands royalty regulation. But I must emphasize that this government, this leader, and certainly this minister will take a very, very hard stand to protect and further the royalty interests of Albertans, as they own this great resource.

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. To the Minister of Finance again: how many billions of dollars could be lost to the public purse in forgone royalties should Suncor and other companies succeed in taking advantage of an obvious loophole in the government's royalty regime? The Premier yesterday acknowledged that there's a loophole there.

The Speaker: Well, there are about four speculations in that question. If the minister can find an answer to it, proceed. If not, we're going on to the third one.

Mrs. Nelson: Go on to the next one.

The Speaker: Please proceed.

Dr. Pannu: Thank you, Mr. Speaker. To the same minister: what steps is the government taking to ensure that Albertans don't lose

\$875 million in royalties, a figure quoted by the Premier yesterday, as a result of these loopholes which seemingly lie at the base of this dispute in the first place?

Mrs. Nelson: Well, Mr. Speaker, a number of years back the government entered into a new royalty regime with the oil sands players, and that was to bring investment to this province. It clearly has worked. Over \$50 billion of investment has come into this province to enhance and develop the oil sands, something we call the jewel of the north. It is the only place that we have such a situation. Quite frankly, only the members in the NDP caucus could be against this kind of development. The one thing I want to say – let's be very clear – is that this has been the jewel of this province. It is a good part of our future success.

I'm going to ask the Minister of Energy again to supplement the answer, please.

Mr. Smith: Thank you. Mr. Speaker, I will be brief. The question of \$875 million is but one number. The exact amount of this is tied into a number of different factors: one, the continuing change in the value of the U.S. dollar; two, the disruption of heavy oil from Venezuela, that creates a marginal spread between light oil and heavy oil; three, the appropriate interpretation of the transition agreement. These numbers can change.

We are in material discussions with this company, Mr. Speaker, and we will continue to hold the line of protecting Alberta's interests in royalty calculations.

The Speaker: The hon. Member for Calgary-Fort, followed by the hon. Member for Edmonton-Mill Woods.

Acupuncture Regulations

Mr. Cao: Thank you, Mr. Speaker. In Quebec a person was discovered who practised illegally as an acupuncturist for 20 years and failed to use sterilized needles, resulting in 1,100 people now having to be called in for tests for HIV and hepatitis. So my question today is to the hon. Minister of Health and Wellness. Given that acupuncture has become a very popular alternative treatment in Alberta, what assurances can he give Albertans that the same unsafe practices are not happening here?

The Speaker: The hon. minister.

Mr. Mar: Thank you, Mr. Speaker. In our acupuncture regulations there is a requirement that acupuncturists only use presterilized, disposable needles that must be discarded immediately. If a person has a concern that an acupuncturist is not following this practice, they should contact the registrar for acupuncturists. I've been advised by the office of the registrar for acupuncturists that a letter will be sent or perhaps has been sent to all registered acupuncturists reminding members about the requirement to use only presterilized, disposable needles.

The Speaker: The hon. member.

Mr. Cao: Thank you. My last supplemental question is to the same minister. How are acupuncturists currently regulated in Alberta?

Mr. Mar: Mr. Speaker, acupuncturists have been registered in this province since 1988. In 1999 the Health Professions Act included acupuncturists as a regulated health profession, and in November 2003 we approved the regulation of traditional Chinese medicine

under the same act. Accordingly, in the future acupuncturists and doctors of traditional Chinese medicine will both be regulated under the Health Professions Act.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Olds-Didsbury-Three Hills.

Group Homes

Dr. Massey: Thank you, Mr. Speaker. There have been complaints with respect to the work being done by at least one agency that contracts with the Department of Children's Services to operate group homes. My question is to the Minister of Children's Services. Are contracting agencies required to perform criminal checks before placing new employees in group homes?

Ms Evans: Mr. Speaker, we are having a residential review of all of our group homes, all of our group home practices, and all of the circumstances surrounding those facilities. We also have had reviews through the Social Care Facilities Review Committee.

In response directly to the member opposite's question it is my understanding that those record checks are done.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the same minister: are group home employees allowed to vacation with the children in their charge?

Ms Evans: Well, Mr. Speaker, I'm not aware of any circumstance in which that permission has been given. However, I would be very pleased to be enlightened by the member, and we would check into the circumstances that were involved.

Dr. Massey: Again to the same minister: given that one group home was described as, and I quote, a pigsty, who is responsible for ensuring that group homes meet sanitation standards?

Ms Evans: Well, Mr. Speaker, there are certainly licensing requirements, and there are inspections that are done either at the request of the minister or from any directive through the director of child welfare in the region. The Social Care Facilities Review Committee will conduct an inspection. We will also provide staff from the department to inspect homes. I am disturbed indeed to hear the allegation that a group home was found to be a pigsty, and I look forward to getting the information so that we can follow up.

Mr. Speaker, for the most part, from the homes that I have visited and the staff contacts I have made, I am very satisfied that the standards are kept, but I am appreciative and will be appreciative of the hon. member's providing me the particulars so we can follow up on this one.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills, followed by the hon. Member for Edmonton-Rutherford, to be followed by the hon. Member for Whitecourt-Ste. Anne.

Agriculture Financial Services Corporation

Mr. Marz: Thank you, Mr. Speaker. Interest rates are currently at an all-time low. However, many young farmers are concerned that the rates that they're paying to the Agriculture Financial Services Corporation for farm loans are significantly higher than current market rates. To the Minister of Agriculture, Food, and Rural Development: could the minister tell me exactly how current AFSC rates do compare to today's market rates?

Mrs. McClellan: Well, Mr. Speaker, the interest rates depend on the particular program that is offered. Ag Financial Services offers a number of different loan programs to both producers and processors.

I will give an example on the beginning farmer program. The interest rate is based on Ag Financial Services cost of borrowing plus 1 and a half per cent. For example, Mr. Speaker, if the loan is for a five-year term, the interest rate is 5 per cent. However, an applicant may qualify for an incentive on the first \$300,000, and then the cost of borrowing is 3 and a half per cent. Now, if it is on a long-term loan, the interest rate is 6.59 per cent.

2:20

There is a reason the producers, particularly beginning farmers, choose Ag Financial Services rather than more traditional forms of lending. One is the stability of the interest rates; two, the financial consulting and support that they get from Ag Financial Services. They can make lump-sum payments without any penalty, Mr. Speaker. They have business management advice for their clients, and it is well documented that the success rate in the beginning farmer program in particular is very, very high and the loss rate is very low.

The Speaker: The hon. member.

Mr. Marz: Thank you, Mr. Speaker. To the same minister: how often does AFSC and the beginning farmer loan program review and adjust their rates?

Mrs. McClellan: Well, Mr. Speaker, at one time Ag Financial Services reviewed their rates twice a year. Now they review them on a weekly basis to ensure that they're current and timely.

The Speaker: The hon. member?

The hon. Member for Edmonton-Rutherford, followed by the hon. Member for Whitecourt-Ste. Anne.

Future Energy Demands

Mr. McClelland: Thank you, Mr. Speaker. My question today is for the Minister of Energy. According to the Canadian National Energy Board demand for energy will grow at more than twice the rate of population growth in Canada over the next 20 years. Population will rise 13 and a half per cent; energy demand will rise 34 per cent. My question: is Alberta capable of meeting future energy demands?

Mr. Smith: Well, Mr. Speaker, I am always reluctant to believe any statistic or number that comes out of Ottawa, and I am always a little concerned about an organization called the National Energy Board. But knowing that that organization now has its head office in Calgary and is very well staffed, I've changed my opinion about the National Energy Board and welcome their forecast.

They talk of an energy component, and I think one of the most difficult times that we have right now is predicting the future of this great industry. What we've seen today, Mr. Speaker, was an announcement by Ontario, Quebec, Manitoba, British Columbia that electricity prices are going up. These four are all hydro-power producing jurisdictions. So, in fact, what we've seen over the last three years – because we're the fastest growing economic jurisdiction in North America, we are the predictor of the future. If people want to know what's going to happen, they look to Alberta because that's the speed ahead of the curve that this province is.

With respect to other forms of energy and energy consumption,

Mr. Speaker, one has only to look at natural gas and the doubling of imports to the United States, the continual growth across Canada. We continue to grow in population, and as economic growth occurs, so will the demand for energy. Natural gas will continue to grow. Simply because of the question asked earlier on coal bed methane, it's estimated that there might be as much as 500 trillion cubic feet. That, basically, is 12-fold our present reserves that could be present in Alberta.

Mr. Speaker, we've talked about oil sands at length at this table, and I think it would be a good thought for everybody to leave here on a two-week break thinking how blessed we are in this province for that wonderful resource.

The Speaker: The hon. member.

Mr. McClelland: Thank you, Mr. Speaker. Which leads into the next question: what percentage of this anticipated energy demand will be met by oil sands production?

Mr. Smith: That's an extremely important question, Mr. Speaker, and I don't know if I'll be able to supply all the answers in this short time.

The Speaker: Well, you will because what you're doing is speculating here right now. It has nothing to do with government policy, so go on to the third one, please.

Mr. McClelland: All right then. The third question is: will the royalties and the economic rent that Alberta gets from the oil sands be on par with the economic rent that Venezuela gets from its oil sands?

Mr. Smith: We only send into the rest of Canada about 200,000 barrels a day of oil. So this thought that's been around since the bleak days of the Liberal national energy program, that said, "Turn the taps off" – well, Mr. Speaker, it doesn't matter. You can't turn the taps off because, in fact, much of what's being purchased in eastern Canada is purchased offshore, from Venezuela, from Mexico, from the North Sea. So, in fact, Alberta is an offset to energy self-sufficiency.

That's why we have the Institute of Sustainable Energy, Environment and the Economy at the University of Calgary. That's why we have offered the federal government all the resources at our disposal to help make that notoriously inept body called NRCan a much better policy-making body.

The Speaker: The hon. Member for Whitecourt-Ste. Anne, followed by the hon. Member for Medicine Hat.

Forest Sustainability

Mr. VanderBurg: Thank you, Mr. Speaker. To the Minister of Sustainable Resources: given that wildfires have devastated millions of acres of precious forested lands, can the minister advise the House how we can ensure the forest's sustainability in these burnt areas?

The Speaker: The hon. minister.

Mr. Cardinal: Yes, Mr. Speaker. Of course, that is a very important area, and the member, I think, was going to address that in his question earlier. It is very important because, you know, in the last five years or so we've spent over \$200 million on forest fires. A lot of those fires, of course, took place in areas where private companies

had reforested already. We are developing some policies right now – they've gone through the process actually – and we'll be seeking additional dollars from this government in the future to ensure that we do continue the reforestation program.

Mr. VanderBurg: Given that the planting season is just around the corner, when will the minister and his department meet with my companies to advise them of the plan for this season?

The Speaker: The hon. minister.

Mr. Cardinal: Yeah, Mr. Speaker. We are available to tour all these facilities in Alberta. There are a lot of facilities. It's a very, very important industry. It's part of our economic diversification plan in Alberta. Thousands of people are employed in the industry.

Dr. Taylor: How many?

Mr. Cardinal: Thousands of people. Actually, over 54,000 people are employed in that industry, and about 50 communities depend on forestry as their major source of revenue and also job creation.

We are always available to meet with industry officials, Mr. Speaker, because they are very, very important to Alberta.

The Speaker: The hon. member?

Mr. VanderBurg: Thank you.

The Speaker: The hon. Member for Medicine Hat.

Graduated Drivers' Licences

Mr. Renner: Thank you, Mr. Speaker. My questions this afternoon are for the Minister of Transportation. Last weekend when I was in my constituency, I met with a number of students in a social studies 10 class. One of the issues that we discussed was graduated licensing. Issues that were brought forward by those students I think should be addressed by the minister in the Assembly this afternoon. I would like to ask the minister why someone who has reached the age of 16 but does not yet have a learner's licence should have to wait until the age of 17 before he or she can obtain a standard driver's licence.

Mr. Stelmach: Mr. Speaker, the graduated driver's licence program in Alberta follows a bit of a different format than some of the other provinces. One of them is that there is no discrimination based on age, meaning that it doesn't matter if you're 65 with no driving experience and apply for a driver's licence or someone at 14 who would have a learner's permit for two years and then get their probationary licence at 16.

It varies from Nova Scotia, British Columbia, and there is also variance in that in this province there aren't any restrictions on the number of passengers in the vehicle and no time restrictions in terms of when probationary drivers can drive in the evening. Some provinces have restrictions on the number of passengers between 1 o'clock and 5 o'clock in the morning.

The Speaker: The hon. member.

Mr. Renner: Thank you, Mr. Speaker. On the same line of reasoning, why is it that we concern ourselves so dramatically with determining whether or not someone is capable of driving when they first get a licence, but then we never bother to find out if they are

still capable of driving after they've had a licence for a number of years?

Mr. Stelmach: Actually, Mr. Speaker, the hon. member brings up a very important point. As one of the discussions that is coming forward from a number of different organizations – the Alberta Motor Association, the centre for injury prevention – they're looking at: is it necessary or would it improve Alberta's statistics in terms of the number of injuries and collisions and of course the number of fatalities on Alberta highways if we go to a measured, timely re-examination of every driver in the province of Alberta?

That is something that we are looking at, investigating, looking at other jurisdictions. We are doing a review of driver safety in the province at the moment, and if it's something that's proposed, we certainly will be looking at bringing it forward to standing policy for further consideration.

2:30

The Speaker: Well, congratulations, hon. members. That was 17 sets of questions and answers, the highest, I think, in years.

In 30 seconds we'll call upon the first of four to participate, but in the meantime can we revert to Introduction of Guests?

[Unanimous consent granted]

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

The Speaker: The hon. Minister of Aboriginal Affairs and Northern Development.

Ms Calahasen: Thank you very much, Mr. Speaker. Today I'm very pleased to introduce to you and to all the Members of the Legislative Assembly some staff from Aboriginal Affairs and Northern Development. They're in the members' gallery, and I'd ask that they stand as I introduce them: Cameron Henry, director of aboriginal relations; Thomas Droege, governance consultant; Linda Lewis, governance consultant; and Lona MacKay, researcher from the governance branch. So please give them a warm welcome.

head: **Members' Statements**

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

Amber Alert Program

Mr. Danyluk: Thank you very much, Mr. Speaker. As everyone in the Assembly is aware, a community's worst nightmare was realized when two little girls were abducted in Saddle Lake. In the aftermath I was very discouraged by the statements made by the members opposite critical of the effectiveness of Amber Alert during this alarming situation. On behalf of the Lac La Biche-St. Paul constituency I would like to take this opportunity today to applaud the collaborative efforts of the local RCMP detachments, local radio and television stations, and our local rural Crime Watch for their invaluable assistance in the kidnapping earlier in the week.

For the people in my constituency the Amber Alert system proved successful. The entire community is extremely pleased that these young children were returned safely to their family. Mr. Speaker, all local radio and television stations received the bulletin and broadcast the message. The local rural Crime Watch assisted in activating a telephone fan-out regarding the abduction. It is very likely that the reason why the children were released was because the kidnapper heard the Amber Alert and realized that he would be caught.

In Canada approximately 65,000 children are reported missing every year. Out of this number most children are runaways, others are lost, while some are taken by their parents in custody disputes. I would like to stress that it is an extremely small percentage of children that are actually kidnapped by strangers. For those who have raised concerns and criticized Amber Alert, it should be recognized that if the alert were issued after every child went missing, Amber Alert would become useless.

There are important steps that need to be taken before an Amber Alert can be released. People must first find out about runaways, lost children, and parent abductions. Mr. Speaker, it takes time for this process to be employed in a correct manner and work to the advantage of the case. I find it discouraging that critics are quick to find fault with the system without understanding how it works.

I firmly believe that the Amber Alert system was the key to the successful outcome of the situation in Saddle Lake, and I would like to congratulate all those involved.

Earned Income Tax Credit

Mr. Lord: Well, Mr. Speaker, today I rise to talk about an idea whose time, I think, has come. It has to do with helping people get out of poverty, and it takes a very different approach from what we do in Canada right now. It's called the earned income tax credit, also referred to as the incentive to work program or just the EITC program. Unlike raising the minimum wage, the EITC is targeted only to the poor.

Raising the minimum wage is really just a shotgun approach to spreading small business owners' money around, and I've even heard it estimated that it may only result in 10 cents on the dollar actually getting to people who live in dire poverty. Instead, it ends up in the hands of teenage kids living at home with their parents or hospitality industry employees who may also be earning significant tips, for example.

Worse, it may even increase poverty since minimum wage increases are mostly paid out by small business owners, who themselves are the poorest working group of Canadians, many not even earning minimum wages themselves, in fact not earning anything at all, with 4 out of 5 going broke in their first five years. Raising their expenses won't bring any more business in the door and, in fact, may only help them go broke faster, maybe throwing all their employees out of work instead.

The EITC alternative, on the other hand, is credited with literally lifting millions of people out of poverty in other jurisdictions. How it works is that instead of paying destitute people to sit at home on welfare and clawing back anything that they earn if they try to work and better themselves, you do just the opposite. If they work even a little but still don't earn enough money to get to the poverty line, we top up their paycheques each week for every hour they work with a few extra dollars per hour. We literally pay them a little to go to work instead of paying them a lot to stay at home.

Combining the money that they can earn from work with the money we're paying them, that we would be paying them to sit at home anyway, voila: a significant increase in their total annual incomes, enough to at least get them to the poverty line. It's simple. We target only the poor, and we encourage them to work instead of discouraging them. It's an idea that I hope we can study and, better yet, implement.

Thank you, Mr. Speaker.

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

Rail Link to Fort McMurray

Mr. Bonner: Thank you, Mr. Speaker. Today I rise to make a few

comments on the proposed rail link to Fort McMurray. Over the past week I've had the opportunity to speak with industry experts regarding transportation links to Fort McMurray. All the experts agreed that both rail and road modes of transportation are vital for the future development and completion of approved projects in the north.

They're also quick to point out that the existing rail line already carries many heavy loads. It is my understanding that the current line has 120-pound steel rails that have a load capacity of 263,000 pounds. However, heavier loads can be hauled using multi-axle cars. The maximum width that can be hauled by rail is approximately 16 feet, and any loads wider than 13 feet, 6 inches require a special train service at a cost of \$100 per mile.

A rail link with the coast is essential when transporting heavy components that are manufactured offshore and have to be transported to the Fort McMurray site. Choosing a new route for the line to Fort McMurray would be very expensive. Under normal conditions construction costs and a new roadbed are \$1 million to \$1.2 million per mile. With the additional cost of land purchases, the cost of bridges, trestles, and building the line over difficult terrain, the cost per mile will soar.

We look forward to seeing a cost-benefit analysis regarding any new proposed rail link to Fort McMurray. We feel that it makes more economic sense to use the present railway right-of-way. It would be much cheaper to upgrade the existing line, extend it from Fort McMurray to a point near the tar sands where spur lines could be built to the various sites.

While we support the improvement and expansion of the rail link to Fort McMurray, we call on this government to consult with all Albertans should it wish to use taxpayer money to fund any projects that put this government back in the business of being in business. After all, why should your average, hard-working Albertan subsidize a multibillion dollar industry?

Thank you.

The Speaker: Hon. members and the hon. Member for Edmonton-Ellerslie, I don't know if I'm being presumptuous, but I'm just guessing in my head that this will probably be the last opportunity for the hon. Member for Edmonton-Ellerslie to participate in this particular Legislative Assembly.

The hon. member has been a member for a number of terms now and advised all of us some time ago that she would be departing upon another venture, a venture with a certain degree of turbulence and rough waters and who knows what. But, hon. Member for Edmonton-Ellerslie, we bid you adieu and wish you good luck, and the same message will go to the hon. Member for Lethbridge-East as well. [applause]

Ms Carlson: Thank you, Mr. Speaker. I appreciate your comments, and I'd like to say that it's been an honour and a privilege to work with all of you, a little more fun when we could keep your feet to the fire but always an honour and a privilege.

2:40 Student and Youth Day of Action for Clean Energy Solutions

Ms Carlson: Today, Mr. Speaker, April 1, 2004, is Student and Youth Day of Action for Clean Energy Solutions. Today thousands of students and youth from across Canada and the United States will join forces to demand clean energy solutions from our schools, universities, and governments. Students and youth have proclaimed this, April 1, a day to make a fool of fossil fuels as countries around the world are beginning to embrace viable renewable sources of energy such as wind and solar power.

Now these youth are challenging the overuse of fossil fuels and nuclear energy and calling instead for significant investment in pollution-free, sustainable, healthy energy sources. These students and youth will join with a diverse coalition of organizations to call for a future free from dependence on fossil fuels and short-sighted energy policy. They will be voicing their ideas and concerns at more than 120 campuses and communities.

Globally, wind energy has become the fastest growing energy source, and businesses, schools, and communities are making significant investments in both solar and wind power. However, the international push for cleaner, more sustainable energy has not been met with significant investment from any of our leaders.

In Alberta high growth rates have been both a challenge and a blessing in terms of reducing greenhouse gas emissions and pushing for the use of green energy sources. It is this very growth that must push us to adopt greener technologies in order to reduce the impact that we have on the environment. To reduce carbon emissions and to continue to see strong economic growth requires a great deal of innovation in terms of government policy, market innovation, and technological innovations. In addition to using 90 per cent green power at its facilities, this government must also increase its overall renewable and alternative energy capacity on both provincial and municipal levels.

In light of this awakening to green energy, North American youth and students are taking the lead in creating a brighter future. Let Albertans participate in this important event today and every day so that we can take the lead on this important initiative.

head: **Presenting Petitions**

The Speaker: The hon. Member for Edmonton-Castle Downs.

Mr. Lukaszuk: Thank you, Mr. Speaker. I'd like to present a petition signed by 688 police constables and their loved ones from the capital region petitioning this Assembly to

support Bill 204, the Blood Samples Act, which will provide more security and peace of mind for people working in occupations who have a higher risk of exchanging bodily fluids with a potential carrier of a blood borne disease.

Thank you, Mr. Speaker.

Mr. Mason: I'm presenting a petition today signed by 140 Albertans petitioning the Legislative Assembly to urge the government of Alberta

1. 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;
2. To redesignate the Evan-Thomas Provincial Recreation Area and adjacent unprotected public lands as a Provincial Park, with those parts currently undeveloped designated as Wildland Provincial Park;
3. To maintain Kananaskis Country in a natural state that provides high quality wildlife habitat and nature-based recreational opportunities.

Thank you.

head: **Notices of Motions**

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. I rise pursuant to Standing Order 34(2)(a) and also pursuant to Government Motion 6, agreed to on February 18, 2004, to give notice that on Monday, April 19, I will move that written questions appearing on the Order

Paper do stand and retain their places with the exception of written questions 47, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, and 59.

I am also giving notice that on Monday, April 19, I will move that motions for returns appearing on the Order Paper do stand and retain their places with the exception of motions for returns 18, 19, 23, 24, 25, 26, 27, 28, 29, 30, 31, 34, 35, 36, 37, 38, 39, 40, 41, 42, 44, 45, 46, 47, 48, 49, 52, 53, 55, 56, 57, 58, 59, 60, 61, 62, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 75, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 146, 159, 160, 162, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 197, 200, 201, 202, 203, 204, and 205.

Thank you.

head: **Introduction of Bills**

The Speaker: The hon. Member for Dunvegan.

Bill 28

Feeder Associations Guarantee Amendment Act, 2004

Mr. Goudreau: Thank you, Mr. Speaker. I rise today to request leave to introduce Bill 28, the Feeder Associations Guarantee Amendment Act, 2004, for first reading.

Mr. Speaker, this bill expands the mandate of the act by allowing feeder pigs to be included under the act, providing Alberta's hog producers all of the advantages of feeder associations.

Thank you.

[Motion carried; Bill 28 read a first time]

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you. Mr. Speaker, I would move that Bill 28, the Feeder Associations Guarantee Amendment Act, 2004, be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

Bill 29

Agriculture Financial Services Amendment Act, 2004

Mrs. McClellan: Mr. Speaker, I request leave to introduce Bill 29, the Agriculture Financial Services Amendment Act, 2004. This being a money bill, Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of this bill, recommends the same to the Assembly.

Mr. Speaker, this is a very small change in the act. It will amend section 29 in the act, and it will clarify the ability for participants in projects as to the amount that they may borrow and also clarify the number of borrowers that can participate in it.

Mr. Speaker, I look forward to comments from members on this bill as it proceeds through the Assembly. Thank you.

[Motion carried; Bill 29 read a first time]

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

Bill 30

Metis Settlements Amendment Act, 2004

Mr. Ducharme: Thank you, Mr. Speaker. I request leave to

introduce Bill 30, the Metis Settlements Amendment Act, 2004.

These amendments will provide for more efficient and effective governance on Alberta's eight Métis settlements.

[Motion carried; Bill 30 read a first time]

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you. Mr. Speaker, I would move that Bill 30, the Metis Settlements Amendment Act, 2004, be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

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

Bill Pr. 4

Northwest Bible College Amendment Act, 2004

Mr. Masyk: Thank you, Mr. Speaker. I request leave to introduce Bill Pr. 4, Northwest Bible College Amendment Act, 2004.

[Motion carried; Bill Pr. 4 read a first time]

2:50

The Speaker: The hon. Member for Peace River.

Bill Pr. 5

Brooklynn Hannah George Rewega Right of Civil Action Act

Mr. Friedel: Thank you, Mr. Speaker. I request leave to introduce Bill Pr. 5, the Brooklynn Hannah George Rewega Right of Civil Action Act.

[Motion carried; Bill Pr. 5 read a first time]

head: **Tabling Returns and Reports**

The Speaker: The hon. Member for Edmonton-Highlands

Mr. Mason: Thank you very much, Mr. Speaker. I rise today to table a news release issued by the Athabasca Oil Sands Transportation Corp. dated March 29 of this year. The release announces "funding for a \$2.5 million Oil Sands Transportation Initiative."

That's it. Thank you, Mr. Speaker.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I have a number of tablings this afternoon. The first one is an information sheet put out by Edmonton's Food Bank. At this time, on behalf of the directors of the Food Bank I would like to say to anyone in this Assembly or anyone else who wants to visit the Food Bank at their new location at 120 Street and 115 Avenue that the directors would be delighted to see them and provide them with a tour.

The second tabling I have is a memo dated October 25, 2002, and it is from the hon. Justice minister to the hon. Member for Airdrie-Rocky View. It concerns a question I asked earlier in question period.

I also have another memo dated December 16, 2002, and this is from the hon. Minister of Human Resources and Employment to the chief appeals commissioner of Alberta Workers' Compensation.

An Hon. Member: Isn't that old?

Mr. MacDonald: I can't help it if this was only leaked to me lately.

The fourth memo that I have is also from my question today, and it is dated January 6, 2003. I referred to that in question period as well, Mr. Speaker.

Thank you.

The Speaker: The hon. Member for Calgary-Currie.

Mr. Lord: Thank you, Mr. Speaker. I rise today to table the requisite number of copies of a report compiling the latest statistics regarding qui tam whistle-blower reward legislative actions in the U.S., in which now over \$12 billion has been successfully recovered through nearly 4,000 cases where state and federal governments had been defrauded by suppliers, which frauds only came to light as a result of whistle-blower reward legislation.

Thank you, Mr. Speaker.

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

Ms Carlson: Thank you, Mr. Speaker. I have a number of tablings today. The first is from Stephen Legault, the executive director of Wildcanada.net. It's an open letter to the Premier. He's very concerned with the Premier's attitude towards callers with regard to the grizzly hunt that opens today.

The second is a letter from a constituent of mine, Janice Radloff. She's very concerned about how people other than the custodial parents who are involved in a child's life are treated.

The third set of tablings is copies of correspondence from constituent Anthony Hughes. He's involved in a WCB fiasco, if I could call that accurately, where he feels that he has not been getting proper recognition or treatment from anybody involved with WCB in this province.

Lastly, I have a tabling from the Canadian Federation of University Women in Edmonton, who are very concerned that "the federal, provincial and territorial governments of Canada . . . work collaboratively to implement the recommendations of the Romanow Commission."

Thank you.

head: **Projected Government Business**

The Speaker: The hon. Member for Edmonton-Ellerslie on behalf of the Official Opposition House Leader.

Ms Carlson: Thank you. I would ask at this time that the Government House Leader share with us the projected government business.

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. I'd be happy to do that.

Just before I do, I'd like to take a couple of seconds to thank the hon. Member for Edmonton-Ellerslie for her outstanding service over the 11 or 12 years and also to wish her well in her bid for a new career, and the same goes for the hon. Member for Lethbridge-East.

Mr. Speaker, under Projected Government Business I'm pleased to report the following. On Monday, April 19, 2004, pursuant to Government Motion 6 agreed to on February 18, 2004, we will deal in the afternoon with private members' business, written questions, motions for returns, followed by public bills and orders other than government bills and orders, and that should include some private members' public bills if time permits. In the evening we will deal with motions other than government motions, and at 9 p.m. we will be in Committee of Supply for the Ministry of Aboriginal Affairs and Northern Development.

On Tuesday, April 20, in the afternoon as part of Government

Bills and Orders we'll deal in Committee of Supply with Children's Services, as designated, and if times permits, second reading of bills 25, 26, 27, 28, and 29, depending, of course, on progress made in that regard today. In the evening in Committee of Supply we will deal with the Ministry of Transportation, and again depending on progress we may deal in Committee of the Whole with bills 22, 25, and 26, and otherwise as per the Order Paper.

On Wednesday, April 21, we expect to be in Committee of Supply for the ministry of agriculture, as designated, and depending on progress earlier possibly second reading on bills 25, 26, 27, 28, and 29, and otherwise as per the Order Paper. On Wednesday evening we will be in Committee of Supply dealing with the ministries of Finance and Revenue, and that's as per the unanimous agreement by the House leaders and consent having been granted by the Assembly to do so. We will then deal with Committee of the Whole for bills 22, 25, 26, again depending on earlier progress, and otherwise as per the Order Paper.

On Thursday afternoon, Mr. Speaker, we expect to be in Committee of Supply for the Ministry of Learning, as designated, and that'll be followed by second reading of bills 27, 28, and 29, again depending on earlier progress, and otherwise as per the Order Paper.

Thank you, Mr. Speaker.

The Speaker: Hon. members, over the next couple of weeks please have a rest, and will you please, as well, have a spiritual and happy family-oriented Easter.

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

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, we'll call the committee to order.

head: **Main Estimates 2004-05**
Environment

The Deputy Chair: As per our Standing Orders the first hour will be allocated between the minister and members of the opposition, following which any other member who wishes to participate will be recognized.

The hon. Minister of Environment.

Dr. Taylor: Thank you, Mr. Chair. I'll keep my comments relatively short. [some applause] I love support from my own members.

First, I will just introduce some people I have in the gallery. We have Peter Watson, I think, up there. I can't see very well up there because of the light. He's my assistant deputy minister. Peter, stand up. We have Monica Norminton up there, who's our new financial officer. She's a lawyer as well, so not only does she keep the taxman at bay, but she keeps me out of jail. We have Robert Moyles, our communications assistant director. Then we have everybody's most beloved EA in the building, Ken Faulkner, most recently of the Krispy Kreme doughnut fame. So we're pleased to have all of these people here to watch the goings-on in this House.

I'm going to, as I say, keep my remarks relatively brief, Mr. Chair, because I know that the opposition has some good questions. I will say that if I don't have a chance to answer all the questions, they are recorded in *Hansard*, and we certainly will respond with appropriate answers to appropriate questions.

3:00

As you are all aware in the House, the province has experienced

tremendous economic growth, and it's largely fuelled by our natural resources, as the Minister of Energy quite appropriately pointed out during QP today. Of course, with that growth in the province we have population pressures, we have growing expectations for public input into the process, and we have growing pressures on our environment, Mr. Chairman.

To meet these challenges, at Alberta Environment we have changed our approach. Rather than trying to put an environmental policeman on every corner, which is simply impossible in this day and age when we have this rapid growth, we've focused on identifying environmental outcomes we need to achieve. So what we're looking at is: where do we need to be? What does our environment need to look like? What is our future economy going to look like? What do we want for our children in the future in terms of a healthy environment?

So what we're doing is putting in place systems to achieve that future sustainability. Not only are we putting in place those systems, but we are committed to working with partners and empowering our partners and working with our partners to make sure that the outcomes are reached.

This upcoming year my department is going to focus on two core businesses, Mr. Chair. The first one we're going to focus on is assuring environmental quality, and secondly is sharing environmental management and stewardship. If you look at our business plan, if you look at our budget, they are focused on those two areas. Particularly, we are going to focus those two areas on areas of water – all of you are familiar with and I'll say just a bit more about the water strategy – climate change, sustainable resource and environmental management, information technology, and staff capability.

The big issue, I believe, Mr. Chairman, as we move forward is going to centre around water. Water will be the issue of the 21st century. You can see how it's impacting Alberta. There was in the press just recently the Capstone Energy hearings in the Red Deer area. I've met with the MLAs involved speaking on behalf of their constituents there. So we need this water strategy. As we move forward, we need to fund the water strategy. As we move forward, you'll see us spending a lot of time talking about water, developing our budget around water, and simply doing the right thing.

I encourage all members, if they're not familiar with our water strategy, to take a hard look at it. I spoke at the AMD and C yesterday or the day before about it and received warm regard from the AMD and C around our water strategy, what it is about. So we have people in Alberta that are very strongly supportive of this, and we need to move forward on it.

With that, I'll conclude my comments, Mr. Chairman, and look forward to hearing from members of the opposition.

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

Ms Carlson: Thank you, Mr. Chairman. I would like to thank all of the staff who are here this afternoon. It's been great working with you for all these years. You haven't always given me all the answers I wanted, and the minister particularly hasn't given me all the answers I wanted, but most of the time they tried.

An Hon. Member: Ask nicely.

Ms Carlson: I always asked nicely for that particular minister, and sometimes he gave me answers.

Dr. Massey: All he does is monitor.

Ms Carlson: No, it's the other minister that always monitors. This

one often will give an answer. Once in a while he's taken a good idea that we've put forward and incorporated it, so for that I have to thank him.

I want to start where the minister left off, and that's the water for life strategy. We're really pleased to see that this is still ongoing. It isn't ongoing nearly as fast as we would like to see it, but the initial investment of dollars that we've seen at least is a start when we talk about it being used for improving Alberta's drinking water supply and enhancing water management and watershed planning and all the other activities that the minister plans to do with this particular strategy. I'll ask a few questions, ask him to answer them, and then I'll go on to another issue.

The question really is: why is so little money dedicated to do so much? It seems like this could be the most important question we have before us for the next decade in this province, how to manage our water. We really feel that it's a priority issue, that we are in many regions facing a water shortage. It looks like it's going to get worse, not better. In the midst of all the planning that's happening around things like enhanced oil recovery, coal bed methane, the technology developments for CO₂ injection, all the studies and incentives and things like that that have to happen, why do you have so few dollars dedicated to what I see to be the top priority issue in environment in this province?

Dr. Taylor: I'll attempt this question, Mr. Chair.

I want, like other members, to wish the member the best in her future. It has been a pleasure sometimes getting to know you. So I do wish you the best, but I would think that on your last day you might have had a little sweeter disposition towards me.

But we'll go on and answer the question. I would point out that this water for life strategy is a cross-ministry initiative. There are nine ministries involved. If you go through the budget, I think it's about \$46 million cross ministry that is involved in the water for life strategy.

As we move forward, if you'll look in my budget, Mr. Chair, my budget has a 100 per cent increase in the water for life strategy. That's what we needed this year because what we're going to do this year is start implementing. As I said, next year we'll need more money. We won't be able to operate it on the \$5 million that we are granted this year. Next year we will need more money, and we will go forward to Treasury Board in the appropriate business planning process and tell Treasury Board how much money we need for the next year. As we go forward, I believe that we will meet success with our Treasury Board colleagues. As I pointed out, it is, I believe, \$46 million this year across all ministries.

I would also say that a fundamental issue in the water for life strategy is conservation. We need to conserve, Mr. Chair, on both the supply side and the demand side. When I'm talking about conserving on the supply side, I am talking about more water storage. Because of the way we get the spring runoffs here, most of the water passes through, particularly the southern basins, early in the spring. Even in one of the most dry years in history, 2001, we passed on 57 per cent of the natural flow to Saskatchewan. We only need to pass on, by regulation and agreement, 50 per cent. This past year I would guess that we will probably have passed on someplace between 80 and 85 per cent of that natural flow.

So as we move forward, we have to do a lot more on conservation on the demand side. Mr. Chair, that means both on-stream and off-stream storage, and we will be looking at these issues as we move forward. On-stream storage will be, I believe, very important in the future. Of course, the water strategy also looks at technology development, a lot of technology. It looks at knowledge, and it looks at conservation on the demand side as well.

I won't comment any more because no doubt some of those questions will come up on the demand side.

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

Ms Carlson: Thank you, Mr. Chairman. I would have thought that the minister would have thought it was pretty sweet that I was asking for more money for his department. But if he doesn't like those kinds of questions, I can ask tough ones on water management.

We've been waiting for the advisory committee to release its recommendations on the water being removed from the hydrological cycle, so we'd like to know: where are those recommendations? In the absence of them, then why are you still approving new licences for water diversion from watersheds that are already highly damaged? In particular, I'm concerned about the Red Deer River. Why do you continue to allow the use of fresh water for injection before the recommendations are out? Will we see any changes to your commitment to water conservation in terms of applications for use from businesses to divert water?

Dr. Taylor: A number of questions there again, Mr. Chair. Let me first talk about the committee she's talking about. That's the committee we established to look at water removal from the hydrological cycle, and 98 per cent of that, as she's correctly identified, is in the oil and gas industry.

We did establish a committee that was made up of various stakeholders. The Canadian Association of Petroleum Producers was there. That was one of the co-chairs. The Pembina Institute for Sustainable Development was another co-chair. We had members of the general public. We had irrigators there. We had other industrial water users there.

3:10

It's my understanding that they have prepared a preliminary report, and I will get that preliminary report either later today or tomorrow. We'll then have to take a look at that preliminary report. But it's only a preliminary report; it doesn't have final recommendations.

This was a consensus-based process, and in that process all members have signed off. So that means the green NGOs have signed off. That means CAPP, the association of oil producers, has signed off. That means the irrigators. Everybody has agreed, apparently, as we move forward, to these preliminary-only recommendations.

The next phase for that will be for them to go out and consult with their stakeholders. Certainly, CAPP will have to go out and talk to the various companies that it represents. Certainly, the environmental NGOs will have to go out and talk to the various people they represent. The irrigators will have to talk to the various irrigation districts that they represent. So that's the process. As I say, hopefully, we'll see those either later today or perhaps transferred to my office tomorrow.

In terms of allowing water licences, Mr. Chairman, we have a process that's governed by legislation. The legislation is in effect, and until that legislation is changed under the law, there is nothing really that we can do as a government to change the process. If we're going to change the process, we must change the legislation.

The member did mention the issue of Red Deer. In the Red Deer area – perhaps she knows – a decision of a director of mine was appealed to the Environmental Appeal Board. We have a very good system. We're one of the only jurisdictions in North America that has a system like this where if one of my directors makes a decision, it can be appealed to a quasi-judicial body that has nothing to do

with the ministry, has nothing to do with the minister. It's quasi-judicial, and it holds hearings. The EAB did hold hearings on the Capstone Energy issue that the member referred to in the Red Deer area. They have a month from the date that the official hearings end to get a report with a recommendation to me. I believe the official date for the end of the hearings is March 31, and I expect that I will be receiving a report from the EAB, that quasi-judicial body, and I expect to receive that report legislatively by the end of April.

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

Ms Carlson: Thank you, Mr. Chairman. One more water question. There's an appeal of an irrigation district licence amendment that I'd like to talk about. On October 31, 2003, there was an amendment to a water licence which allowed an irrigation district in southern Alberta to use water for purposes other than irrigation. The St. Mary river district can now allocate 12,000 acre feet annually for other uses such as

municipal, agricultural, irrigation, commercial, industrial, management of fish, management of wildlife, habitat enhancement and recreational use. The Licence Amendment also states that the Licensee shall not deliver water under the Licence for the purpose of injecting water into the ground to enhance oil or gas production.

So the Southern Alberta Environmental Group, based in Lethbridge, with support from Trout Unlimited Canada, is appealing AB Enviro's decision to amend the licence. There are two key challenges as we see it in the appeal. One, it challenges the precedent which denies opportunities to restore health to the Bow and Oldman river basins, which have already been assessed as moderately to heavily impacted from massive diversion. Large irrigation districts should not be allowed to right off the rivers.

The second one is that it challenges the precedent of allowing a private irrigation board to make decisions about how water, a scarce public resource, will be allocated. These boards are comprised of farmers, who are not accountable to the public interest in reallocating water to benefit a growing urban population and a changing economy in southern Alberta let alone to the public interest in restoring rivers to health, which was clearly expressed in the water for life strategy.

So the questions around this are: in the face of a growing water scarcity in Alberta why would the minister approve a licence that allows an irrigation district to determine our water priorities? And what responsibility does the district have to protect the health of a river and to allocate water in a way that best serves the growing population?

Dr. Taylor: Well, Mr. Chairman, I did not approve the licence. One of my directors approved the licence, and that is presently in front of the Environmental Appeal Board, so I have to be very careful of what I say about that. But I can speak in general, Mr. Chairman.

Well, one correction I would make, too, is that the St. Mary River irrigation district does not affect the Bow River basin. It's way south of the Bow, and the Bow runs into the South Saskatchewan. St. Mary River irrigation district is largely Oldman – you were correct in that – and Belly River and Waterton River and a couple of other small rivers, and it affects the South Saskatchewan as well.

Once again, I'm proud of this province. It's one of the only jurisdictions, as I've said, in North America that has an appeal process like this. It's outside the political process. This group, as she has correctly identified, has appealed the decision of the director to the Environmental Appeal Board.

I would comment, Mr. Chairman, that basically all those river reaches in southern Alberta and the reaches of the South Saskatche-

wan have been frozen; that is, we will not grant new licences on those rivers simply because they're either overallocated or allocated at a high enough level. So if we get an industry coming or we get an agricultural value-added industry like a potato chip plant – we have two of them already in southern Alberta, but just take something like a potato plant. They need water, and we can't grant them any more licences because, essentially, other than for potable water, or drinking water, the system is frozen.

So where do they get their water from? What St. Mary's has done is said: okay; we realize that there are these issues and there are needs and demands for water, and because of those needs and demands for water we're going to change the nature of our licence somewhat. It was very clear that it does not include oil field injection, but it does allow for St. Mary's to take on, you know, being able to provide water to a potato plant, for instance. So that decision is being appealed.

I'll give you another very practical example, Mr. Chairman. There's the South East Alberta Water Co-op, and that's a pipeline that's going to run out of Chin Coulee all the way across southeastern Alberta. This was really ably financed by the Minister of Transportation, and I'd like to congratulate him for his fine vision – yes, Minister, fine vision – on financing this pipeline in southern Alberta, and I hope that he finances more of them.

But that water co-op could not get a water licence for the pipeline because everything has been frozen. So they went to the United irrigation district and said: can we have some of your water licence? So United irrigation district transferred some of their water licence to the South East Alberta Water Co-op. Without that ability to be able to move licences around in irrigation districts, South East Alberta Water Co-op would not have been able to get water, Mr. Chairman.

So as I say, it's a very practical example. It's a little different than what she's talking about, but in the broader sense it's an example of, if the appeal is unsuccessful, what will happen. [Dr. Taylor coughed]

The Deputy Chair: Hon. minister, if you need a little break, that's okay. I'm sure that the Member for Edmonton-Ellerslie may have more questions that you can respond to.

Dr. Taylor: Okay.

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

Ms Carlson: Thank you, Mr. Chairman. This just points out how important water is for all of us. I hope you're okay over there.

Thank you for those answers on water. Certainly, they're helpful to us, and we'll be continuing to monitor your progress in this regard and hope that we can see some sort of a framework come out from the water for life strategy sooner rather than later. I'm really supportive of that strategy. In fact, I think it was one of our great ideas that you based your decisions on for setting that up. I wish it would go a little faster, but there are really good people involved in that strategy from all sides: from the department, from industry, from the environmental community. So I have every expectation that it will be progressive and meet its mandate, hopefully in a very timely fashion.

3:20

I would hope and encourage all members of the Assembly to support the recommendations that fall out of those meetings because I really do believe that they will bring forward ideas and initiatives that will work in the best interests of Alberta. I hope that they have

got as a part of their mandate looking at the long-term sustainability of the whole ecosystem in Alberta because it's been something that's been missing from a part of the decision-making process.

Are you okay now? Can I ask you some more questions? Okay.

Now I'd like to change topics and talk about climate change for a few moments. I've a series of questions I'd like answered. We see in the budget that a total of \$6 million is in the 2004-05 budget for initiatives related to implementing Alberta's action plan on climate change and ongoing support for Climate Change Central. Funding for Alberta's climate change action plan will increase to \$13 million in 2005-06, including funding from Innovation and Science.

So my first question is: could the minister break down the budget for initiatives related to implementing Alberta's action plan on climate change and ongoing support for Climate Change Central? If you could just give us a little bit of an overview and then provide some of that detail in writing, that would be helpful. I'm still not convinced that we're getting a good bang for our buck from Climate Change Central. I'm hoping that you'll have some information to share with us about how they're doing more than just meeting, where we're going to see some outcomes soon.

Dr. Taylor: Well, Mr. Chairman, certainly I can do that. You've got to remember that Climate Change is a relatively new organization. I think they've been only operating for two years. They have been ramping up. They have done, really, in the last year a lot of positive things. Some members, perhaps in my caucus, disagree with some of the things they're doing, like the furnace rebate program. I see some people disagree. I happen to think that is a very worthwhile program.

People are replacing their furnaces with very energy-efficient furnaces, and they are about \$5,000 for a furnace. Through a partnership between Climate Change and the federal government they're getting a \$400 grant from Climate Change on their furnace. So people are actually spending \$5,000 to get a \$400 grant.

I sit on the board of Climate Change, and I would also point out that Climate Change Central is governed. It's arm's length, again, from government and has its own board of directors. The chair of that board is a gentleman, the president of Nexen Energy, Mr. Charlie Fisher, and it has high-level people on that board, company people. Once again, it's got environmental groups on it, and the Member for Innisfail-Sylvan Lake sits with that group as well.

[Mr. Lougheed in the chair]

The board decided that they wanted to try this program. They had enough for 3,000 replacements, and there was some doubt with a \$400 grant and a \$5,000 furnace how much uptake there would be on that program. What happened, Mr. Chairman, is that they have already passed the 3,000 applications or requests; they've got over 3,100 requests. So they're going to go back to the federal government and once again ask if the federal government is interested in continuing the partnership with Climate Change Central on that furnace replacement program.

They've done a number of other programs, Mr. Chairman. They are the first ones in the province to model emission trading. They've a partnership with a group out of New York. Unfortunately, the group that they were working with was in the office towers that were hit. Some of the people that I worked with and were up here were killed in that terrible terrorist attack of 9-11. They have done workshops on emissions trading.

What I will do to provide more information to the member is I will see that she gets a copy of actions undertaken by Climate Change Central so that she knows exactly what Climate Change Central is

doing. I'm sure that once she gets those actions, she'll be very aware of what Climate Change Central is doing and will probably feel much more positive in regard to Climate Change Central.

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

Ms Carlson: Thank you, Mr. Chairman. I'm very much in support of the furnace rebate program. In fact, it's that kind of a program or other programs that encourage energy efficiency amongst homeowners that we've been promoting for a couple of years here. I was very encouraged when I saw that program come out. So as a follow-up question to that: what else do you expect to happen in the near future this next year either in Climate Change Central or within your own ministry to support both homeowners and industry to become more energy efficient?

Dr. Taylor: Well, certainly, Mr. Chairman, this government has taken the lead. We've actually spent more dollars in this area than any other government in Canada, including the federal government. So one of the things we'll do in the future is going to happen starting in 2005. Ninety per cent of the power utilized by this government will be either wind power or biomass power. Ninety per cent. It's the largest purchase of green power in the history of North America, and that was done by this government.

Another thing that's just starting to unfold is the municipal energy efficiency program. That's a hundred million dollars that this government has committed for municipalities to upgrade and make their buildings more efficient or build energy-efficient buildings as they're building new buildings, Mr. Chairman.

We actually have just a nice little booklet. It's very simple, and it's available, certainly, from my office. I think most MLA offices have these – I hope they do, anyway – to pass out to constituents. That gives you some more information, Mr. Chairman, on where we're going and what's happening in regard to the climate change action plan.

I would point out, Mr. Chair, that the government of Alberta is providing \$27 million in funding for research into sustainable energy technologies. That's over the next three-year period. So we are certainly doing that as well.

We're part of the Canadian Clean Power Coalition, Mr. Chair. The Minister of Innovation and Science can probably do this better at this than I can, but we think that by 2007 or 2008 there'll be a demonstration plant up that burns coal with virtually zero emissions.

Once again, climate change is a cross-government initiative. The Minister of Energy has allowed for a royalty rebate program of up to 30 per cent for costs of projects that capture and inject carbon dioxide into oil and gas pools.

So I can go on quite a bit, but there are a lot of really good things happening and that will happen as we move forward on this climate change action plan.

The Acting Chair: The Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. When will mandatory reporting of greenhouse gas emissions by large emitters be implemented?

[Mr. Shariff in the chair]

Dr. Taylor: That's in the process, Mr. Chairman. We're actually working with the federal government now to come up. We've agreed and industry in Alberta has agreed to mandatory reporting. Because we want to do it so that each jurisdiction doesn't have its

own little reporting scheme, we're working with the other provinces.

I just got a letter two weeks ago signed by the Deputy Minister of NRCan and the Deputy Minister of Environment saying that they wanted to work with Alberta to develop a governance structure for national reporting. We took this as good news because the new Prime Minister has said that he wants to work with provinces on these issues.

The member quite correctly points out that there's an election coming, so the test will be: after the election does he behave in the same fashion? I hope he does, but we do have to remember, Mr. Chair, that he is a Quebec Liberal. We know how other Quebec Liberals have treated western Canada. But I'm hopeful that this Prime Minister will treat us differently and treat us with respect. You know, we're the only jurisdiction in the country that's going to be a net income contributor to the federal processes here. All the other provinces are basically living off Alberta. Last year we put in \$9 billion more than we got back in services.

3:30

So we will stand up for our rights, but if the new government is prepared to treat Albertans with the respect that we deserve because we're the most knowledgeable province in this whole area of greenhouse gas reporting – we've already got a scheme – and if they are prepared to work with us, then I think the mandatory reporting will come in quite quickly because we've agreed and industry has agreed.

I think that if you're looking at a time frame, I would say that you're not going to get a lot of action till September. Our sense from talking to the federal government – they've certainly got an election coming some time. I'm sure the member knows quite well about that, and one might speculate on when that election will occur because of her recent actions here. Then you're into a summer break. Our indications are that we'll be talking about governance and how we manage that with the federal government as early as September. It could happen relatively quickly after that.

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

Ms Carlson: Thank you, Mr. Chairman. It would be very nice to work with this minister in Ottawa on some of those issues, with any luck.

Mr. Chairman, my next question is on investment and research on sustainable energy technologies. I believe it's low, and I believe it's hard to access in this province.

When we talk about coal bed methane or fuel cell technology or enhanced oil and gas recovery or a new project that I was just recently introduced to, which is the ability of Alberta to actually build the windmills that would help support the wind energy industry in this province – right now that technology is not available in Alberta. They have to import those large windmills from Germany. The cost is about \$1.5 million per windmill. The cost to transport it over here is about half a million dollars. They can be made cheaper here with advanced generation technology right here in Edmonton, and of course the transportation costs to get them on site would be significantly lower.

The company I was talking to doesn't have enough access to capital to develop a prototype. They have all of the various stages of the development ready but can't get that extra mile, which is a really important step for Alberta to take, I think. There is no reason why we can't be a leader in those kinds of technologies in this country.

So if the minister could talk a little bit about what he thinks we can be and should be doing and he is expecting to do to support

research on the sustainable energy side in this year's budget and perhaps in the future.

Dr. Taylor: Well, once again, Mr. Chairman, that's outside my budget. As a department we don't support research. That would be more appropriately asked to the Minister of Innovation and Science. I will just make a couple comments if I might because I do have this excellent little document in front of me.

On sustainable energy, Mr. Chairman, we are investing \$3.25 million into a project at NAIT. Apparently, the NAIT swimming pool is heated by fuel cell technology. So we are doing that.

In Medicine Hat, my home constituency – actually, the greenhouse is located in the Member for Medicine Hat's constituency. Microgenerators provided by Mariah Energy, if I can just read it, reduce carbon dioxide by 97 per cent, nitrous oxide by 97 per cent, reduce power costs, and create surplus energy. I happened to see Mariah Energy this past week, and they told me that they're working with the city of Medicine Hat now because this has been a very successful project at the greenhouse in the member's constituency. They're working with the whole city now to provide microgenerators and moving forward on it.

There's also the vapex field project. It's a \$30 million field project, and it's funded by the Alberta Energy Research Institute. Quite clearly, once again the Minister of Innovation and Science – I don't want to steal his thunder – has done a yeoman's job. He's done an excellent job of stimulating the growth of the Alberta Energy Research Institute, and that's where the dollars will be. I know that the Alberta Energy Research Institute is looking at a major project at the University of Calgary. That will be a world leader in sustainable energy research.

It just goes on and on, but as I say, it's outside my ministry. We do not directly fund research, but I would encourage – well, she won't be here. I would encourage her caucus, perhaps, to get the Minister of Innovation and Science to respond when his budget estimates are up, and he'll provide much more detail than I can.

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

Ms Carlson: Thank you, Mr. Chairman. My colleague from Edmonton-Mill Woods will follow up with the appropriate minister.

Can this minister tell me if he is still working towards developing a carbon trading system, and if so, can you give us any details on what stage the development is at?

Dr. Taylor: We won't develop the system ourselves, Mr. Chair. What we want to do is create the environment for it to happen, create the regulations needed for the carbon trading system to happen as well as other trading systems. We need to trade in nitrous oxides, sulphur oxides, particulate matter, and mercury perhaps as well. So there's going to be a broad trading system developed.

But the government will not develop it. What we'll create is the right environment, set up the regulations, and we're in the process right now of working with other jurisdictions, working with the federal government on what a system like that would look like and then what regulations we need to develop to allow that to happen, and then the private sector will do that.

We actually have just located in Calgary a carbon management company from England. They do a lot of work in Europe, and they just located within the last two months in Calgary, and they're carbon traders. We just have to get our regulations right to allow the private sector to do it.

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

Ms Carlson: Thank you, Mr. Chairman. Those are great answers. Happy to have them.

The government has said that its 2003 royalty credit program offsets up to 30 per cent of the cost for projects that inject carbon dioxide into oil or gas pools to improve resource recovery and store the carbon dioxide. In addition to this \$15 million program, the province has revised royalty deductions under the enhanced oil recovery program for carbon dioxide enhanced projects. Additional royalty reductions will be available to cover the higher costs involved in this type of enhanced oil recovery.

My questions are these. Since additional royalty reductions were made available for projects that use enhanced oil recovery, to what degree has this use increased? If there has been no increase, is the minister currently looking at other incentives for industry to adopt this technology?

Dr. Taylor: Mr. Chair, as I pointed out, climate change, like the water strategy, is a multidepartment agenda, a multidepartment project. These two programs she's mentioned are run out of the Department of Energy, so I can't give her the details of those two programs any more than the general details that I've already provided. When the Minister of Energy's budget is up in Committee of Supply, that needs to be discussed with the Minister of Energy.

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

Ms Carlson: Okay. Thank you. Perhaps you can't answer this one either, but if you could give me any feedback on it because it's related. It's around the Alberta Energy Research Institute's energy strategy to reduce the cost of carbon dioxide capture and compression. I'm wanting to know how much closer it is to the goal of a 75 per cent reduction for new facilities and 50 per cent for retrofit operations. Do you have any information on that at all?

Dr. Taylor: That is out of the Ministry of Innovation and Science. The only information I would have is to say that it's ongoing. We believe it will be a successful program because we think that ultimately technology will solve the issues around emissions, not just carbon dioxide emissions but emissions of nitrous/sulphur oxides, emissions of particulate matter, and emissions of mercury as well. They will be solved through the developments of new technology, and that's what this program is about.

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

3:40

Ms Carlson: Thank you. My next question, then, is about the Car Heaven Alberta program, which gets vehicles 13 years old and over off the streets. Do you have any information on how many have come off the streets, and do you have any plans to increase that kind of program to get old vehicles off because of the emission problems that they present?

Dr. Taylor: This is a program that's run out of Climate Change Central and has been quite successful. We did a pilot, and it got about 300 vehicles off the streets in Calgary. I was involved with the renewal of two Car Heaven projects, one in Calgary and one in Edmonton.

We're still, as I say, counting the cars that come in, but they have started again. As I say, the initial one got 300 of these older vehicles off the streets in Calgary. We expect that this will be an ongoing program of Climate Change Central.

I must say, though, that it does generate some controversy because

many of these cars, especially the GM brands, have this 351 cubic inch engine, and that's an ideal engine, apparently, for people that build street rods. So they've actually been out at both the new openings of the programs, one in Edmonton and one in Calgary, with a bit of a protest. What happens to these 351 engines is that they come in, they get taken out, then they fill the cylinders with foam so that they can't be used any longer, and then they get shipped away.

Once again, this is a public/private partnership. We're working in particular with Pick-A-Part, one of the major partners of this in both Calgary and Edmonton. I know that Climate Change Central is looking at how it can expand more to rural Alberta, but the issue is getting the right people to be partners with. The issue is: will enough people bring them in?

But the program is operating again. It started this winter in both Calgary and Edmonton.

The Deputy Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. I'm pleased to have the opportunity to ask a few questions with respect to the estimates. Can the minister tell us what the budget is for the government's project in partnership with BIOCAP Canada, which is examining the legal mechanisms for use with agricultural sinks? What are the most recent developments on these projects, and when are the projects expected to be completed?

Dr. Taylor: I'm not that familiar with that project. Again, I think it's being run out of Innovation and Science. But I'll make a commitment. This is in *Hansard*. Even if it is run out of Innovation and Science, I'll make a commitment to get you some information on that. I know BIOCAP. I met with some people from BIOCAP just last week, and I gather that they're just pretty much in a start-up stage.

One of the big issues is how you measure sinks. Now, it's easier to measure agricultural sinks than forestry sinks. I mean, how much does a tree this tall absorb in carbon dioxide compared to one this tall, and what is absorbed in the growth? So the difficulty with forestry sinks is measurement. I know that that's what our researchers are working on, how you get accurate measurements around sinks for forestry.

We'll get you some more information on that.

The Deputy Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Yes. Thank you. And thanks for the answer. I can raise it with the minister when we do Innovation and Science.

A second question is: when will the government release its research analysis in key areas like the glacier response and the southern Alberta water supply and response of Alberta ecosystems to climate change? What was the budget for that research and analysis?

Dr. Taylor: Well, most of the research that we do, once it's completed, is put on our web site. Whether those two specific projects are on our web site or not, I don't know, but if they're not – we put absolutely everything on the web site. We actually are putting, you know, the air quality indexes on the web site.

Where we're moving to, where we want to move to and are working with industry on it, is actually having real-time monitoring, going right to the web site so that people can sit and look at the air monitoring around Inland Cement in real time, you know, 24 hours a day. That's where we're moving with our monitoring. Are we there yet? No. Will we get there? Yes. It's a combination of

getting some money for technology and working with industry to have that happen. Certainly, we are moving forward, and as those projects are completed, the results will be put on our web site.

The one area of concern that we do have in particular is the glaciers that feed the Bow River. We have a good history on those glaciers, I think a 70-year history. The way the Bow works is that in the spring, essentially, the Bow is fed by the spring and summer runoff till typically, depending on the dryness of the year, about either August or September, and then it's those glaciers that feed the Bow River. We're in a situation, because of the history of those glaciers that we have – that is available publicly, and if it's not on our web site, if you want, I can get it for you – where the glaciers are shrinking.

We're in a situation where, depending on how dry the year is, those glaciers can provide up to 40 or 50 per cent of the water that Calgary needs. Depending on how dry it is, depending on how the climate warms or cools, we're estimating that in anywhere from 30 to 50 years those glaciers will not be able to provide that level of volume of water.

If you look at what's happening in urban growth, we expect that all major urban areas will double in population size. Growth, unfortunately, is going to be in urban Alberta and in the urban world all over the world. Urban growth is going to double all over the world in the next 30 to 50 years. So you're going to have a situation in Calgary where you've probably got 2 million or 2 and a half million people and not enough water if we don't do anything. Because water issues are long-term issues and they're long-term solutions, that's why it's so important that we move on our water strategy on the conservation side, both supply side and demand side conservation, and actually do something, don't just talk about it but do something. Well, you and I probably won't be here in 30 to 50 years, but our grandkids might well be, and if we don't do something and they're living in Calgary, it will be a horrendous problem. So we need to move forward on it.

We do have the data on those glaciers available. It is publicly available, and if it's not on our web site, certainly we can get it for you.

The Deputy Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you. Again, what adaptation initiatives is the Prairie Adaptation Research Collaborative currently working on?

Dr. Taylor: Adaptation is part of our climate change program, and it is probably the least worked on because everybody has been working on the mitigation side. It goes the same thing as for water. Everybody has been working on the conservation, on the demand side as opposed to the supply side. Certainly, the adaptation, which is part of our climate change project, I will say, from my own personal perspective, has been lagging a bit. The ingenuity fund – and that's what we used to call the science and engineering trust fund – has committed about \$7.5 million to the prairie adaptation centre over a three-year period.

In terms of specific projects I can't tell the member what specific projects they're working on, but once again I would be pleased to provide information from the prairie adaptation centre as to the specific projects they're working on.

The Deputy Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. I'd like to change the subject, then, if I could, to coal bed methane. Given the great emphasis, it seems that's this is going to be the province's answer to

declining conventional natural gas supplies. However, we've heard from people around the province. I heard the Minister of Energy on the radio this morning talking to a group who are really concerned with respect to the environmental issues, land disturbance, their surface rights. They were concerned about surface and groundwater impacts, venting and prolonged flaring of noneconomic gas, and noise pollution. Each of these will have an impact on the environment. My first question to the minister is: will large-scale CBM projects be subject to mandatory environmental impact assessments?

3:50

Dr. Taylor: Well, once again that is a decision that will be made by experts in my department. It's not the minister that determines if an environmental impact assessment is required. Applications come in. They go to the scientists, the engineers in my department, and they will make the determination if an environmental impact assessment needs to be done.

This is a significant issue that the member has raised. I mean, if we're not careful, you could have a well site every 10 acres. So the issue is: should companies be allowed to drill a well site every 10 acres, or should they be required to slant drill?

Now, we don't have a policy on this, but certainly my personal opinion is that maybe you drill 10 well sites from one site. Because this is so new here in Alberta and, as the Minister of Energy pointed out today, we're just starting some hearings on this, whether or not there would be an EIA will be decided as major projects come forward, and that will be decided by the Department of Environment.

The Deputy Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you. Again, then, on the same topic: how will the cumulative and social impacts of CBM development be determined? Who's going to look after it?

Dr. Taylor: These are big issues that the member is talking about. Actually, these are the kinds of big policy issues that fascinate me. I've just been in discussions with a professor at UBC by the name of John Robinson. What John talks about is a sustainable future. When he's talking about a sustainable future, he's not just talking about what the environment looks like. He's talking about what our economy will look like, what our cities will look like. I just quoted the figure in my last answer to you about cities around the world doubling in the next 30 to 40 to 50 years. That's John's statistic. I just got it from him. I was meeting with John Robinson yesterday.

I'm actually going to bring John into Alberta and have him sit down with some of our leading thinkers and some of our leading industrial people in the oil industry and talk about: what do we want looking forward into the future? John's group at UBC just got a huge CFI grant. It's too bad it didn't happen here first in Alberta, but it's just a really exciting project that they're doing. It talks about what the future looks like, not just economically but socially.

So to answer your question, I don't know, but those are the things that we have to figure out. We do have one model that is working I think quite well. It's called CEMA. It's in Fort McMurray, and it consists of native groups, of industry. They're looking at how they manage the huge development that's going to go on there. There are NGOs, environmental groups in that group as well. It's not a government organization. It's a local organization and is working very well with all the sectors. Now, is that a model for the rest of the province? We don't know yet. It's too early to tell. But they're trying to do some very creative and exciting things there as we get thinking more about these issues, about the sustainable future.

I don't think it's enough any more just to talk about a balance

between the economy and the environment. When you say balance, it means that, well, if you get something on the economy, you lose something on the environment or that if you get something on the environment, you lose something on the economy. I think we need to start thinking past that to what sustainability actually means and look at sustainability in a broad sense.

So we actually are just starting to think about some of those issues. I'm just starting to think about them, and the department is just starting to think about them.

The Deputy Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. That is interesting, and it's encouraging that sustainability is being questioned as a concept and that the interpretation we have on that particular concept right now is being questioned. I think it's overdue.

May I ask what requirements are imposed on companies now to minimize the impact of CBM development?

Dr. Taylor: Well, I assume that you're talking about coal bed methane. Once again, that's largely driven out of the EUB, but we are very concerned in Alberta Environment about water and potable water being destroyed as we move forward.

I'm not a scientist or an engineer, but my understanding is that you cannot use the U.S. experience and generalize it up here. Apparently, there was a lot of potable water in U.S. coal beds, and quite frankly they've got an environmental wreck down there in some places. But in Alberta the amount of potable water in the coal beds, the ones that we know about – and we're just doing the initial research and initial test drilling – appears to be very little, next to nil.

As we move forward, we have to determine how we are going to handle potable water that is in those coal beds, and that's part of what the hearings going around the province are about. It's one of the issues that is going to be discussed. You yourself have watched the issue around Capstone Energy, so you know how sensitive the issue of potable water is. That's one area where I really believe that the local community is going to drive government on that issue.

If you look at our water strategy, what we're proposing in our water strategy is two local levels. We're looking at a local level that would manage the larger watersheds, for instance the Bow River. The best example I can think of is the Bow River Basin Council. Very effective. The Bow River is now apparently the third best river in the world for trout fishing, one of the cleanest rivers in the world, and that comes as a result of a consensus-based multistakeholder group called the Bow River Basin Council. But for that to be effective, government has to step up to the plate first, and we stepped up with 225 grand every year to them. Once we step to the plate first, you know, they can find private-sector money, they can find federal money, and they can find NGO money.

That's the model we're looking at at that basin level. Then when we get down to the even smaller level, we're looking at watershed user groups. The best example I'll give you on that is in my own constituency. It's called the Bullshead Creek water co-op. They might say in my constituency the Bullshead Crick water co-op. It's just a very little, short creek with maybe 12 ranchers on it. One of the licences on it is very ancient, from 1905. The person that had that licence – it doesn't run all season; it just runs in the spring – was capturing the water and not storing it, apparently, in a very effective way, so there was a lot of waste water. It was causing a lot of friction in that community amongst the ranchers.

What we did was we helped that group. We helped them establish the Bullshead water co-op. What it is is consensus based, and even the guy with the oldest licence got on board. Now, do they have

issues? Yes, they do, but they're telling us as government how to manage that creek, and that's the way it should be. Our job is to provide them the science, to provide them the knowledge and say: here's the science and knowledge we have on the Bullshead. How do you want to manage it? It's working very well.

So that's another model on a really small level where the local guys are actually managing it and doing a very good job. I always think that the guys at the local level make the best decisions because they're there. This one rancher has a 1905 licence. His granddad started the ranch, and he's still there. Other ranchers have been there, you know, 40, 50, 60 years. They're going to be there, their families will be there, and they need sustainability in that watershed. So we provide knowledge, we provide science, and we provide a few dollars to help them to organize and so on. That's the way we're going to solve major water issues in this province, not by my department or the minister, whoever the Minister of Environment is in the future, mandating but actually asking the people.

We're modelling a lot of this on CASA. I'm sure you're familiar with CASA and what I did two years ago in asking them to come up with emission standards. It works. It takes time, and it takes somebody with some skill and some money to get in there and help them organize and manage. That's our role as the Department of Environment: to provide some money and some skill to help these people organize, then get everybody involved, make it consensus based, and it'll work.

4:00

The Deputy Chair: Any further questions? After considering the business plan and proposed estimates for the Department of Environment for the fiscal year ending March 31, 2005, are you ready for the vote?

Hon. Members: Agreed.

Agreed to:

Operating Expense and

Equipment/Inventory Purchases

\$123,352,000

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Dr. Taylor: Mr. Chairman . . .

The Deputy Chair: Hon. minister, we've already voted. You just want to add some . . .

Dr. Taylor: I just wanted to thank the members in the House and, in particular, the members opposite for intelligent questions. Thank you.

Mr. Zwozdesky: That was just an excellent testimony there from the Minister of Environment. Thank you.

In that spirit, Mr. Chairman, I would move that the committee now rise and report the main estimates for the Ministry of Environment.

[Motion carried]

[Mr. Shariff in the chair]

The Acting Speaker: Hon. members, before I recognize the hon.

Member for Clover Bar-Fort Saskatchewan to report, I also wanted to add my appreciation and best wishes for the Member for Edmonton-Ellerslie in her new career.

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, 2005, for the following department.

Environment: operating expense and equipment/inventory purchases, \$123,352,000.

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

Hon. Members: Concur.

The Acting Speaker: Opposed? So ordered.

head: **Government Bills and Orders**
Second Reading

Bill 25
School Amendment Act, 2004

The Acting Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Well, thank you, Mr. Speaker. It gives me great pleasure to rise and move second reading of Bill 25, the School Amendment Act, 2004.

First of all, I'd like to thank the hon. Minister of Learning, the MLA for Strathmore-Brooks, for giving me the opportunity to carry this important bill. Bill 25 balances the interests of our teachers with the interests of our children by improving the functioning of the board of reference to make sure that there is a process to deal with situations where an educator might not fulfill the high standards of their peers.

Mr. Speaker, in any profession there must be a process in place to ensure the highest quality of service by professionals, and this process has to be effective and fair. We're talking about someone's livelihood, and the board must make decisions regarding whether or not that teacher will continue in that livelihood. This is not a decision to be taken lightly. However, we must also safeguard the rights of children whom Albertans entrust to those in the teaching profession. The fact is that we're talking about the future of these children and the very future of this province, which will some day be built by those who are in our schools today.

Mr. Speaker, Alberta has great teachers, exceptional teachers, and we have to make sure that all educators hold to the same high-quality standards and abilities that Alberta's teachers are known for. The changes in Bill 25 will set a framework in place that will facilitate the best decision-making process possible for the board of reference. The amendments also safeguard our children, ensuring that potential labour disputes do not negatively impact education, through the expansion of the professional responsibilities of teachers as recommended by Alberta's Commission on Learning.

Mr. Speaker, we previously announced that we want to establish a new practice review process for teachers that will enable the ATA to assess the professional competency of its members. The details of this will be discussed elsewhere, but it's an important reference because one of the things contained in Bill 25 is that this new amendment will diminish the need for the board of reference to be involved in reviewing teacher competence. However, more importantly, the legislative changes we are tabling in this act are

designed to improve the way the board of reference functions.

Even though the board of reference will not have the kind of role it has now in terms of assessing the professional competency of teachers, it will continue to play a vital role in hearing matters on employment issues that are beyond the scope of the practice review such as cases of misconduct. This process is still going to be very largely driven at the local level by superintendents and school boards.

Amendments to section 61 mean that the boards would no longer be prohibited from delegating the power to terminate or suspend the services of a teacher. This is something the boards must be able to do. They should be able to decide whether or not the board will make the final decision regarding teacher termination or suspension or whether that responsibility will be delegated to a superintendent.

Under the proposed practice review process, superintendents will have the responsibility of determining whether a teacher should be referred to a hearing committee for a review of that teacher's practice. We're recommending that superintendents also have the authority, if given to them by their board, to determine whether a teacher should be suspended or terminated. The safeguard for the teacher is that the board of reference will still review the superintendent's decision.

I would also like to make a note of the changes to section 138 because I think these are important safeguards for students. Currently section 138 sets out the types of orders the board of reference may make, including confirming a teacher's termination or suspension, removing a suspension, directing that a teacher be reinstated, and directing the school board to pay an amount of money equivalent to the teacher's salary for a specified period.

What we're doing is adding a subsection that would prohibit the board of reference from reinstating a teacher when it finds that that teacher should not be teaching. The subsection also prohibits the board of reference from reinstating a teacher when it determines that just cause exists for the termination, despite any procedural irregularities or procedural noncompliance that may have taken place at the school board level. So, basically, what this does is restricts the board of reference's power to reinstate in these cases of, we could say, technicality. Now, this is vital. First and foremost, we need to protect students from the reinstatement of teachers who may be guilty of gross misconduct, neglect of duty, or other inability to perform his or her duties.

In addition to this amendment, we've worked with the Alberta Teachers' Association and the Alberta School Boards Association to add wording in section 138 that sets out certain factors that the board of reference must ensure it considers in determining whether to reinstate a teacher. These factors include:

- (a) whether the teacher is guilty of gross misconduct;
- (b) whether the teacher refused to obey a lawful order of the board without justification;
- (c) the risk to the safety of students, co-workers and the teacher;
- (d) the ability of the teacher to perform teaching duties effectively;
- (e) the effect of reinstatement on the future relationship between the board and the teacher;
- (f) the possibility of recidivism;
- (g) whether the reinstatement would have the effect of undermining the confidence of Albertans in general in the public education system;
- (h) fairness to the teacher;

and any other factor that the board of reference may consider relevant.

Mr. Speaker, the changes to these sections ensure that the board of reference has the ability to safeguard the best interests of the students once the school board and superintendent find that there is enough reason to bring it to the level of the board. This is not

something that the board will take lightly, as can be seen from all the factors that the board must consider, factors so vital that they will now be set in legislation.

There are also changes being proposed to more effectively provide for an avenue of appeal. Changes to section 133 will require that the notice of appeal be filed within 21 days of the suspension or termination and set out the grounds for the appeal. An amendment to section 136 will facilitate the process by ensuring that both parties in an appeal have a full understanding of the case to be reviewed before a hearing commences. As well, it will require that a case be considered abandoned where no action is taken for a one-year period, similar to rules that exist with respect to civil cases filed with the Court of Queen's Bench.

4:10

Mr. Speaker, I'd now like to delve into the area of professional responsibilities. The School Act is specific in setting out what is termed the statutory responsibilities of teachers. There are a lot of vital responsibilities included in this list. Teachers are required to provide competent instruction to students. They're required to teach prescribed courses; to promote educational goals and standards; to encourage and foster learning in their students; to regularly evaluate students and periodically report the results to students, parents, and the board; to maintain order and discipline; and subject to the collective agreement to carry out duties assigned by the principal or board.

In recommendation 81 the Learning Commission suggested that there is a need to allow all key partners in education to sort out appropriate roles and responsibilities in a way that ensures that the best outcomes for students are recognized and achieved. Included in recommendation 81 are two subpoints: one, to maintain teachers' right to strike and, another, to expand the professional responsibilities of teachers. The government supported these two subpoints, Mr. Speaker.

The School Amendment Act will expand teachers' professional responsibilities to include not only teaching in the classroom but also participating in development and field testing of curriculum; developing, field testing, and marking provincial achievement tests and diploma exams; and supervising student teachers. The expansion of these professional duties will ensure that teachers continue to provide these critical education services during potential labour uncertainties. This is important for students. It's a change that brings essential duties into the scope of the statutory responsibility of teachers, where they should be.

As the Learning Commission found, in cases of labour unrest we have to be able to protect students from effects that could be devastating to their futures. If teachers withdrew from any of these services, it could have permanent effects on the future goals and aspirations of the students; for example, students who are patiently waiting for their results to get into a postsecondary institution or student teachers that are finishing their education degrees. With this amendment students, their parents, and the public can be certain that in the case of any future labour uncertainties, the basic needs and, in fact, the basic rights of students continue to be upheld.

In conclusion, Mr. Speaker, with the amendments being proposed in Bill 25, we're not simply changing pieces of legislation. We are defending the rights of Alberta students to go to school with the knowledge that their teachers are fair, just, and safe, and that it is their best interests that are kept in mind. This legislation also cements this government's commitment to yet another recommendation from the Learning Commission as well as our commitment to working with stakeholders to build an education system that is truly responsive to the needs of Alberta's children and youth.

I urge all members of this Assembly to support these important amendments outlined in Bill 25. Thank you.

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

Dr. Massey: Thank you, Mr. Speaker. Just a few comments at second reading of Bill 25, where the obligation is to look at the principles that the bill has been built on. I think that one of the important things that this bill and its companion piece, Bill 26, represent is a new era in terms of the teachers' association and the school boards and trustees and the ministry working together to try to come up with solutions that are in the best interests of, ultimately, the children and students in this province. So I think that the background for these two bills is extremely important.

One of the principles seems to be that the requirements of teachers have to be expanded, and I heard the mover just now talk about the new requirements that teachers have to participate in curriculum and field testing, have to develop and test and mark achievement tests, and supervise student teachers. His take on it was that that would stop students from being put in jeopardy by the withdrawal of those services.

There is another piece to that, Mr. Speaker. Being able to take that limited action has, I suspect, prevented total teachers' strikes in the province at times. As much as these are strike-proofing recommendations, I think it may be a gain in one area, but it may be a loss with respect to flexibility of teachers to be able to react to a dispute without taking full strike action. So there's something lost when we pass this, but it's something that's been agreed upon by the teachers and trustees. I respect that, but I don't think that it should go unmarked that that's possibly what could happen.

The designation of people who do and who do not belong to the organization has long been contentious. I think that there are some provisions in here that still raise issues with respect to designating teachers, and it's going to probably take some time once the bill is passed and in practice for us to see exactly how well that is working out. There's been that constant concern of the hiving off of people into administrative positions, breaking them away from the teachers' association and taking them out of the association.

I think the changes to the board of reference are changes that all agree are good changes. The board of reference has long been a bone of contention for trustees, and I think the teachers' association was wise in recognizing that and in agreeing to some changes and in being able to put forward a positive proposal that will go a long way to lessening the number of disagreements that arise from the operation of the board of reference.

So I think it's a move in the right direction. I'm sure that there are going to have to be adjustments in the future, but if one of the underlying principles of this bill is to try to help resolve disputes and to have a mechanism in place that is agreeable to both sides, then I think that is what it accomplished.

I look forward to looking at the particular sections of the bill when we visit the bill in committee.

Thanks very much, Mr. Speaker.

The Acting Speaker: The hon. Member for Drayton Valley-Calmar to close debate?

[Motion carried; Bill 25 read a second time]

Bill 26

Teaching Profession Amendment Act, 2004

The Acting Speaker: The hon. Member for Edmonton-Meadowlark.

Mr. Maskell: Thank you, Mr. Speaker. I wish to rise and move second reading of Bill 26, the Teaching Profession Amendment Act, 2004, which deals with important changes to reflect the Learning Commission's recommendations regarding the teaching profession.

The success of our learning system is based in part on the world-class educators that are available to students to help them best meet their education needs and guide them toward a lifetime of learning. Through the guidance of our teachers students can belong to a vibrant learning community that supports their intellectual and spiritual growth, helping them excel in a number of areas ranging from academics to athletics. Mr. Speaker, that's the kind of support that will help our children become the leaders of tomorrow.

As the House well knows, this government recently conducted a broad, comprehensive review of Alberta's K to 12 education system, involving all the key stakeholders and interested Albertans. Mr. Speaker, prior to this review the last time Alberta conducted a comprehensive review of the learning system was in 1972.

4:20

To put that into context, the last time a review was done on our education system, Peter Lougheed was the Premier of Alberta, Pierre Trudeau was our Prime Minister, Richard Nixon was the President of the United States, and the Cold War was still many years from thawing. My point is, Mr. Speaker, that that was a while ago, and the world is a different place. Clearly, a review of our learning system was a project whose time had come.

Alberta's learning system is the foundation of our future. Its purpose is to help Albertans gain the skills and knowledge they require to actively participate in our communities and the economy. Alberta's learning system continues to be counted as one of the best in the world in many ways, and that's something we can be proud of. But the changes we've witnessed over the last 30 years have made it necessary to examine our learning system to ensure that it's relevant and sustainable and meets the needs of Albertans.

Last December the government announced support for 84 of the commission's recommendations because of the clear potential to improve student learning. We took the time to thoroughly and thoughtfully review these recommendations because of the potential impact on the learning system and on the stakeholders who are affected by them. In fact, we worked with the Alberta Teachers' Association and the Alberta School Boards Association on those recommendations that affected them.

Bill 26 will follow up on some of the commission's recommendations and our commitment to those recommendations by accomplishing two things we've already promised to do. It will allow a new practice review process to be established for teachers whose competence is in question, and it will allow certificated, nonteaching central office staff the option to be members of the Alberta Teachers' Association.

I'd like to begin with proposed changes to sections 4 and 8 as well as some other sections that will deal with the practice review process. There is no doubt that it's vital that we set standards for our learning system to ensure that students are receiving the quality of instruction they expect. We want to make sure that our children are learning the kinds of things they need to know to succeed in the workplace and in the world. This is something that is recognized by society in general, of course, and it's something our postsecondary institutions continue to ensure through their quality training programs for our teachers.

There are certain standards that must be maintained when a student is studying for his or her teaching certificate. In fact, grades are one indication of these standards, and during postsecondary education they can easily be monitored and tracked by the postsecondary institution and the deans of the education faculties.

But once that student begins to work as a teacher, that concern for the quality of teaching must be maintained. That means that we have to have a mechanism in place to effectively monitor this practice.

Of course, the Alberta Teachers' Association has a vested interest in making sure that its teachers maintain quality standards, and we have worked with this organization on these amendments because, in fact, this was something they themselves asked for. This particular amendment to section 4 of the Teaching Profession Act will enable the ATA to assess the professional competency of its own members. We are establishing a teacher practice review with the ATA that will deal with teachers whose competence is questionable.

I want to be very clear that I believe, in fact I know, having been a proud member of the profession for more than three decades, that we have a great many exceptional teachers in this province. Our yearly excellence in teaching awards are just one way we publicly recognize some of the many outstanding teachers we have in this province.

Having said that, the reality is that it is also important to have effective safeguards and a fair mechanism to address the remediation or termination of teachers when there are issues related to competence. Teaching involves a high degree of judgment, knowledge, and skill, and professional educators should be the ones to formally review a teachers' practice to determine whether it meets quality standards. A rigorous peer review process is certainly the most effective guarantee of professional competence. It's in recognition of this fact that the ATA proposed and government supported this new teacher practice review model.

This is a process that will be monitored by the ATA with respect to its own members. It also parallels the current process that is used by the ATA to review the conduct of its members who are accused of unprofessional conduct. These changes will ensure that teachers whose practice requires improvement receive the assistance they need to upgrade their skills. This is perhaps the most important aspect.

But in extreme cases it will also ensure that teachers who are judged by their own profession as being entirely unskilled lose their teaching certificates and membership in the professional association. This amendment is a safeguard not only to ensure the quality standards of the teaching profession in this province but also to protect the education of Alberta's youth.

I should briefly note that the board of reference will also be retained to deal with employment matters outside the scope of the practice review process. I won't go into this issue because it's a matter that is addressed in Bill 25, the School Amendment Act.

I'd now like to go on to the second amendment that's being addressed in Bill 26, and that's the commission recommendation to allow non teaching certificated central office staff the ability to choose their membership standing in the ATA. As a government we supported the commission recommendation relating to the membership of certificated central office staff in the ATA.

Section 5, dealing with compulsory active membership, currently requires that all teachers who are employed by school boards, other than superintendents, must be active members of the Alberta Teachers' Association. The commission recommended that certificated central office staff who are not included in the collective agreement should not be required to be members of the ATA but should have the option of associate membership, as is the case for superintendents.

The amendments being tabled will remove the requirement for certificated central office staff to be members of the ATA and in section 6 ensure the continued option of associate membership. That doesn't mean that they won't be members of the ATA. It simply

means that they will now have the option to decide whether or not to be members. This will affect only central office administrators who are not part of the collective bargaining agreement as well as other nonteaching administrators named in regulation.

I'd also like to note that this amendment has no impact on the government's support for maintaining the ATA as the single organization responsible for professional services and collective bargaining for teachers. This is something that the government supports maintaining.

I've touched upon some of the amendments we are pursuing in our effort to continuously improve the education system and the way our teaching profession functions within that system. These are not only improvements to the process itself. They are also a reflection of the commitment of our stakeholders to working to find innovative paths to the future of education. Our teachers are entrusted with the crucial task of building futures and building dreams. If we are to continue to build on our system's successes, ongoing collaboration between our teachers, school boards, and government will be vital to our progress.

With that said, I urge this Assembly to support these important amendments. Thank you.

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

Dr. Massey: Thank you, Mr. Speaker. Just a few comments about Bill 26, the Teaching Profession Amendment Act, 2004. At least one of the major principles that the act is built on is the principle that the professions have a responsibility to police and to monitor their membership with respect to professional practice, and I think it's a principle that the House has supported over the years with respect to other professions. I'm pleased that Bill 26 will allow the teachers in the province to have that same responsibility with respect to controlling their own profession.

4:30

The model that has been proposed is an interesting one. I think it's the kind of model that has promise in terms of assuring the public that should they have complaints about the practice of a teacher, there is a mechanism for that to be dealt with quickly and

appropriately and for it not to be shuffled off and not dealt with in a timely manner. The fact that the government has worked with the association to make possible a bylaw that would put in place the professional practice board that's being proposed is, again, a good move, and I think it's encouraging with respect to relations between the government and the Teachers' Association, which over the past number of years have been troubled. I think all of us are happy to see that era end.

There is a section of the bill that there has been some question raised about, and that's with respect to the powers of the minister, but I think the more appropriate place to deal with that is in Committee of the Whole, when we start to look at the specific sections of the bill, Mr. Speaker.

So with those comments, I'll conclude. Thank you.

The Acting Speaker: Any further speakers?

The hon. Member for Edmonton-Meadowlark to close debate.

Mr. Maskell: Question, please.

[Motion carried; Bill 26 read a second time]

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

Mr. Zwodzdesky: Thank you, Mr. Speaker. It has been another very exciting week, and the city and the province are full of Juno excitement fever. You never know how the weather can turn very quickly in this province sometimes, and I know that safety is a concern for all of our members, who wish to get to their constituencies all across the province in a safe manner.

On that historic note, pursuant to Government Motion 6 agreed to on February 18, 2004, I would move that we call it 5:30 p.m. and adjourn until Monday, April 19, at 1:30 p.m., along with good wishes to everyone for a well-deserved break from the dome for a few days to work hard in our constituencies.

[Motion carried; pursuant to Government Motion 6 the Assembly adjourned at 4:34 p.m.]