

Legislative Assembly of Alberta

Title: **Monday, April 19, 2004**

8:00 p.m.

Date: 04/04/19

[The Speaker in the chair]

The Speaker: Please be seated.

The hon. Member for Edmonton-Manning, introduction, if it's okay with everybody.

[Unanimous consent granted]

head: **Introduction of Guests**

Mr. Vandermeer: Thank you, Mr. Speaker. This evening I have the honour to introduce to you and through you a group of constituents of mine from the McClure United Church, and I'd like to ask them to rise as I call out their names: Miss Veronica Newsdorfer; Miss Hillary White; a lady that I know fairly well, Miss Rosemary Gamble; Ms Deborah Banks; Miss Elizabeth James*; and their nine Pathfinders that are with them this evening. I'd like them to receive the warm welcome of this Assembly.

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

Mr. Lukaszuk: Thank you, Mr. Speaker. Indeed a pleasure to introduce to you and through you to the members of this Assembly a number of young individuals accompanied by their parents. I'll ask them to rise as I name them: Taddes Korris, Lance Cooper, Scott Chan, Ian Nalbach, James Ryl, Kyle Parotta, Jonathan Luong accompanied by their parents Nejolla Korris, Monique Cooper, Linda Chan, Tony Chan, Joanne Nalbach, and Maggie Ryl. I would ask them to rise and receive the warm welcome of this Assembly.

Thank you.

head: **Motions Other than Government Motions**

Tourism Levy

506. Mr. Strang moved:

Be it resolved that the Legislative Assembly urge the government to take measures to establish a tourism levy to be dedicated to the province's tourism marketing framework to promote the tourism industry in Alberta.

[Debate adjourned March 29: Ms Carlson speaking]

The Speaker: The hon. Member for Banff-Cochrane.

Mrs. Tarchuk: Thank you, Mr. Speaker. It is my pleasure to speak to the Assembly today in support of Motion 506, sponsored by the hon. Member for West Yellowhead.

Mr. Speaker, tourism is a cornerstone of the Alberta economy and is an industry which all regions of the province can share in and prosper from. As we know, Alberta offers spectacular breathtaking views of the majestic Canadian Rocky Mountains on one hand and rugged picturesque views of the vast rolling prairie countryside on the other. Our province is nationally and internationally recognized as a tourism destination. We offer everything from world-renowned outdoor activities to year-round entertainment at the world's largest mall in Edmonton. Alberta also offers five national and approximately 300 provincial parks, world-class cultural and historical sites, and our urban areas offer a wide range of attractions for tourists of any age.

Mr. Speaker, tourism is crucial to our economy. In a day and age

of reducing pollutants and creating sustainable industries and other sectors of business in Alberta, the tourism industry is a self-sufficient, clean, and sustainable industry that the government could be marketing more vigorously. Unfortunately, I sometimes think that we have taken the wonders and majestic geographical landscape of our province for granted.

But we can't just presume that visitors will come and explore Alberta because we have the geography, because we hosted the 1988 Winter Olympic Games, because we have the world's largest indoor mall or our famous Calgary Stampede. This may have been so a decade ago, but with the competitive nature of national and international tourism we must work harder and smarter at attracting visitors just to maintain, let alone increase, our share of the market.

The need to sustain and increase tourist levels is directly related to the need of sustainable funding so that tourism in Alberta is not left behind by the rest of the world. With globalization and the numerous attractions afforded by the Alberta landscape, the potential to aggressively market and promote Alberta as a destination for global travellers is immense.

Our grandeur and beauty are obvious from the moment you arrive. The province's attractiveness lies in its diversity. Just some of the features which make Alberta an incredibly attractive tourism proposition include accessible wildlife, varied and impressive scenery, unspoiled wilderness areas, diverse cultures in our urban and rural settings, a well-developed infrastructure, and virtually unlimited opportunities for special-interest activities. Such activities include some of the best skiing in the world, fishing and boating, whitewater rafting, hiking, ice and mountain climbing, exploring captivating flora and fauna that is indigenous to Alberta, and unique world-renowned archeological sites located in Alberta's badlands.

Alberta is and should continue to be a holiday hot spot for a plethora of travellers and thrill-seekers alike for generations to come. However, Mr. Speaker, attracting tourists and sustaining our precious and natural tourist resources costs money. Our lack of initiative in allocating a revenue source specifically to promote tourism in our province is worrisome given the fact that tourism is and will be an ever-increasing industry in this province. In light of this, we should consider solely allocating the current revenue accrued by the existing 5 per cent hotel tax to the advancement of marketing, promotion, and sustainability of Alberta tourism rather than its current allocation in the general revenue fund.

Mr. Speaker, in 2003 over \$50 million was collected in hotel tax with the province spending less than one-half of that on marketing. Our potential for increasing this \$5 billion industry could be so much greater. Tourism development in Alberta has the potential to reap massive revenue, an opportunity for Albertans if properly structured and funded. Most importantly it would build upon the already existing 122,000 employees directly and indirectly related to the tourism industry and provide for challenging and diversified employment opportunities in other areas of our province.

Tourism is an ever changing marketplace. I believe that Alberta should be and can be a world leader in tourism if the proper financial steps are taken immediately to capture the natural and cultural essence that Alberta has to offer to the rest of the world. I believe that unlike the many horrific tragedies associated with unsustainable and excessive tourism exposure in many parts of the world, Alberta's commitment to sustainable and viable tourism could be fostered through a provincial levy used specifically for the marketing of tourism in Alberta.

Over the past several years many individuals, including the Economic Development minister, the Strategic Tourism Marketing Council, and our MLA tourism committee, have worked towards converting the hotel tax to a tourism levy dedicated specifically for

*These spellings could not be verified at the time of publication.

the marketing and promotion of Alberta tourism. After carefully examining the options, this seems to be the logical choice regarding the allocation of funds towards increase in tourism marketing expenditure in the province. The \$56 million accrued from the hotel tax in 2003 if allocated fully to the Alberta tourism industry could dramatically increase the already \$5 billion revenue of Alberta tourism and could substantially impact revenues in other sectors of the Alberta economy.

Mr. Speaker, tourism as a viable economic industry will continue to climb in its importance in Alberta. Significant investing in tourism today will enable Alberta to lead the way in innovative and environmentally sustainable ventures in Canada for the future. It is now time for the Alberta government to reallocate the revenue generated by the hotel tax to be solely dedicated to the growth and sustainability of the tourism industry in Alberta. We only have to look at the experiences of some of our major competitors to understand the benefits of effective and significant marketing efforts.

I urge all members of the Assembly today to vote in favour of Motion 506 and ensure that Alberta's tourism future will be sustained for future generations to come.

Thank you.

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

8:10

Mr. MacDonald: Thank you, Mr. Speaker. It's a pleasure again to participate in the discussion this evening on Motion 506, the establishment of a tourism levy. Certainly, whenever we look at this, it looks like a good idea, but the language of Motion 506, in my opinion, is ambiguous, and it is unclear whether the motion is calling for a new tourism levy to be established on top of the current hotel tax. If that is the case, I would have a great deal of difficulty supporting the motion. I certainly hope that my interpretation is wrong. Further increases to the price of hotel rooms in Alberta, in my opinion, would ruin our competitive advantage and decrease the number of dollars collected from tourism.

We're going back a number of years to the introduction of the hotel tax, going back to 1987. It was at that time going to be used to address the provincial deficit. Well, fortunately, after the economic policies of one of our former leaders, Mr. Laurence Decore, were adopted by this government, not only has that deficit been eliminated, but the provincial debt is now also close to being eliminated.

So if we're not going to eliminate this tax – and my interpretation was that once the debt was paid off, the tax would be eliminated – I think it's a very sound proposal to take at least a portion of this money and use it as a source of cash for an extensive North American and European campaign to attract citizens from America and citizens from Europe to this province. The tourism industry certainly is going to be a significant pillar in our future economic prosperity, and we can't start too soon to promote, as the hon. Member for Banff-Cochrane stated earlier, the attractions, the natural beauty of this province and some of the man-made attractions that have been developed.

Also, perhaps we could use a portion of this money to develop the tourism potential even further in the West Yellowhead area. I'm disappointed. All the development has happened around Kananaskis, and I, for one, was hoping that there would be some development around Hinton on the east side of the Jasper national park.

Whenever one adds up the total of this hotel tax that has been collected, it has in the last half a dozen years or so, Mr. Speaker, been in excess of \$500 million. That is a lot of money. If we had surplus from the advertising campaign, perhaps it would be prudent to set it aside at least and develop some more attractions in the West

Yellowhead area. A Kananaskis north so to speak. I'm not saying that we would go as far as putting white sands on the golf courses and things of that nature, but certainly a development that would be a destination for tourists.

I think it is much needed to diversify the economy in that area of Alberta, and I think the northern half of the province would certainly appreciate it because there has been talk for some time that there would be further development in the north part of the province. The highway from Edmonton – of course the hon. member would be quite aware of that – is twinned now, and it doesn't take that much time even doing the speed limit to get to the West Yellowhead constituency.

Certainly, I for one would not be disappointed if the revenue that was raised from the hotel tax was used for an advertising campaign at this time. Now, whenever we look at the province's tourism industry, there is an expectation that there will be a drop in visitors, in revenue. There was last year, in 2003. There was a loss of \$250 million to \$500 million, depending upon who you talk to, and this is despite the high-profile attractions of Banff, Lake Louise, and, as the hon. member stated earlier, here in Edmonton, the West Edmonton Mall.

Again, according to PricewaterhouseCoopers' 2003 Alberta tourism survey, Mr. Speaker, 91 per cent of operators, businesses, and organizations in the province's tourism industry stated that increased marketing and additional financial resources are the most critical elements for industry improvement. As a skier that likes to get down to the national parks, I'm astonished to meet skiers from other places and to find out from them that they usually find their information on Banff and Lake Louise and Jasper in ski magazines. I was of the assumption that perhaps they saw billboards or perhaps they saw advertisements in the travel section in their local Sunday papers, but, no, the majority of them tell me that they're getting this information mostly from ski magazines.

I have yet to meet one party on the ride on the chairlift that has been unsatisfied with either the snow or the service they're receiving from their hotel. They are quite impressed with the services provided at the cost, and of course they're very impressed by the natural beauty and the snow conditions. There's no reason why we can't promote our province, I think, with the use of this money.

The language of Motion 506 is ambiguous, and if it could be cleared up, then certainly I would be very pleased to support this motion at this time.

With those comments, Mr. Speaker, I will cede the floor to another hon. colleague. Thank you.

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

Mr. Danyluk: Thank you very much, Mr. Speaker. It gives me great pleasure to rise in the Assembly this evening and add my comments to the discussion and debate surrounding Motion 506, the possible introduction of a tourism levy which would be dedicated to the province's tourism marketing framework. This initiative would be established in order to promote and enhance the tourism industry in the province.

The motion has a broad mandate that allows for flexibility to examine various models or initiatives in the industry. I support the idea of proposing a levy. This levy could be added on top of the existing hotel tax or, rather, replace the hotel tax and specifically dedicate the revenue to tourism spending.

The purpose of the hotel tax has run its course, as mentioned by the sponsor. The government of Alberta first established the tax in 1987. It was created along with taxes such as the fuel tax, insurance

premium, and an increase in corporate taxes to reduce the deficit in the province. As all members of the Assembly are aware, currently the province does not have a deficit. Furthermore, there has not been a deficit in Alberta since 1994-95. The province has been fiscally responsible and is working to eliminate what little debt is left in Alberta. The objectives of the hotel tax have been met. Therefore, I agree with the sponsor that one possibility for this revenue or a portion of this revenue would be to invest it into the province's tourism industry.

8:20

As it stands, the money generated from the hotel tax now gets allocated to the general revenue fund. It has been argued both by industry and from within government that this money should serve to enhance the province's tourism efforts. This is not a new idea, Mr. Speaker, and it appears there has been a lot of support for this initiative. Many government MLAs have requested this type of strategy. As well, many in the tourism industry hold the view that by replacing the hotel tax and employing an industry-driven levy, it would bring consistency and predictability in marketing to the sector.

In 2002 the tourism marketing committee first recommended that the hotel tax be converted to a tourism levy and that the revenues be focused on tourism marketing. The idea was to gradually phase out the hotel tax while introducing a tourism marketing levy in its place.

Mr. Speaker, the tourism industry plays an important role in the province's economic base. I offered my remarks regarding this sector in my response to the Speech from the Throne as I believe this is an extremely important industry to the province and one that has great potential for the future. The province's tourist sector gains its strength not only from its exceptional scenery, but also this is complemented by the service excellence and the strong private-sector/government partnerships.

What is left now is for the province to promote this amazing resource and increase its ability to attract national and international visitors. We need to continue to encourage tourists to come and spend their vacation dollars in Alberta. During 2003 the Alberta tourism industry generated over \$5.3 billion in annual revenue, Mr. Speaker. I acknowledge that the revenue estimates are expected to continue to grow over future years, but these projected numbers could only increase substantially with the marketing of our province.

Mr. Speaker, I feel that the tourism effort should be promoting all areas of the province. It seems as though, as mentioned by my colleague from Banff-Cochrane, tourists view Alberta and focus somewhat on the Rocky Mountains and West Edmonton Mall, and if this is the case, then they are missing out on many great escapes that our province has to offer. The Member for Edmonton-Gold Bar talked about a Kananaskis of the north. I would like to talk about the Kananaskis of the east. Lakeland has so much to offer.

There is so much more to Alberta. Its splendour ranges over all areas of the province. However, tourists need to be aware that these opportunities exist. We must ask ourselves why people do not know of these opportunities. Why are they not aware?

Mr. Speaker, my constituency of Lac La Biche-St. Paul is the home of Alberta's Lakeland region. Tourism is an important industry to the area. However, it could be greatly expanded if only more tourists were aware that these opportunities are present. It is not typically a location for international visitors. However, the region is appealing to many different types of visitors. It offers great diversity of boreal mixed forests; clean, clear lakes; sandy beaches; marshy wetlands; and prairie landscapes. The area offers many unique wilderness opportunities. The region has over 150 lakes, many with lakeside camping and cabin facilities. The fishing is

exceptional, while the wetlands are a perfect environment for birdwatching, with over 230 different species.

The area of Lac La Biche-St. Paul consistently has over 175,000 visitors annually. However, I don't believe it is a hot spot for international visitors. I do believe the area holds great potential for the future and would be attractive to many different types of tourists. This area is not a hot spot, because we are not promoting these areas to our potential. We must ask ourselves what the positive economic impact as well as other benefits to my constituency would be if we marketed this area properly.

Alberta is fortunate in that tourism is supported by provincial, national, and international visitors. However, we need to raise the profile of the province and the tourist opportunities that exist for travellers, especially, again, international visitors. We need to continue to attract these types of visitors.

Mr. Speaker, it is absolutely critical to promote the province's tourism sector. How are we going to attract more visitors to come to the province if we don't inform them on what we have to offer? It is not a matter of tourist opportunities in the province but, rather, an issue of getting the word out.

Mr. Speaker, we don't need to go far to see how other jurisdictions market their areas and the attractions within these regions compared to what could be possible in our province. In the pedway across from the visitors' centre and our own Legislature gift shop there are stands filled with pamphlets. I am sure most members are familiar with the area I'm referring to. These stands are filled with information on all sorts of different activities. They offer flyers on golf packages, tours, camping, whitewater rafting, fishing excursions, and other activities. The stands break down into categories: information on Edmonton and out of the province. The information pamphlets in the Alberta section, while abundant, tend to be small flyers promoting specific activities. These look as though they are being produced by individual tour companies.

What I find interesting is the information available from the regions outside of the province. There are complete booklets on British Columbia, Saskatchewan, Manitoba, Yukon, Northwest Territories, and Idaho. There are also booklets on certain regions or areas within the provinces and states. What's more is that there is not just one booklet per province. There are separate information packages on camping attractions and accommodations among other things. I believe there are four separate booklets on Manitoba alone. Surely, if Manitoba can produce that many comprehensive documents, we can match their efforts to promote tourism in Alberta. Granted, there were materials on Alberta, but these were limited in their scope and mostly focused on specific attractions.

This is the same situation that I have encountered while in Jasper and Banff. The visitors' centre and hotel lobbies are filled with information promoting British Columbia and Montana. We might as well be telling people to leave the province and spend their vacation dollars in other locations. The bottom line is that if travellers don't know that these opportunities exist, it is not going to matter how great our facilities are and how incredible the scenery is.

Thank you very much, Mr. Speaker.

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

Ms DeLong: Thank you very much, Mr. Speaker. I am pleased to have the opportunity to rise today and join the debate on Motion 506, sponsored by my dear colleague from West Yellowhead. I fully support the intent and purpose of Motion 506, which is to support and further enhance our province's tourism sector, which is increasingly becoming one of the biggest employers and revenue generators in Alberta.

As has been mentioned before, Albertans are fortunate to live in a province that's blessed with natural beauty and spectacular scenery. Alberta's natural habitat is not only diverse but truly unique. There are very few places in the world where you can find the rugged mountain ranges, the never-ending sea of prairie grasslands, rough badlands, and the flowing carpet of remote evergreen forests all in one location.

Over the past decades this unique setting has attracted millions of tourists from all around our country and the world who choose to come to Alberta in search of adventure in the great outdoors. Alberta's landscape and environment are ideally suited for backpackers, campers, wildlife enthusiasts, and all those who lead active lifestyles and appreciate the wonders and experiences of our backcountry.

8:30

Our two major urban centres of Edmonton and Calgary are great tourist destinations, as well, and offer visitors exceptional hospitality combined with distinctive western flavour. Over the years famous attractions like Calgary's Fort Calgary Historic Park, Heritage Park Historic Village, the Calgary Tower, Canada Olympic Park in Calgary-Bow as well as Edmonton's West Edmonton Mall, Northlands Park, and the Old Strathcona district have become some of the tourists' favourite destinations. Furthermore, Mr. Speaker, the Calgary Stampede, Klondike Days, the Calgary Folk Music Festival, and the Edmonton Folk Music Festival not only attract thousands of visitors from all corners of the globe each and every year, but they are also excellent showcases for our rich cultural heritage, identity, and tradition.

While these are all extremely compelling reasons for people to come, see, and experience our province, one of the major reasons why people choose to vacation in Alberta is Albertans themselves. Albertans and Canadians, Mr. Speaker, are known around the world for their tolerance, hospitality, kindness, generosity, friendliness, and warmth, and if we wish to further promote Alberta as a premier holiday and tourist destination, our number one priority should be to sell Albertans to the world.

The reason I say this is because while sightseeing is a very important criteria for a potential tourist, one of the major motives for somebody to come back and visit a place over and over again is the people that they meet and the experience as a whole. I believe that these key ingredients are present right here in Alberta, and furthermore I believe that they serve to provide us with a solid foundation upon which we can further erect the pillars of our tourist industry.

I fully support the intent of Motion 506, which calls for the expansion of this important industry sector through further government involvement and investment. The motion proposes to accomplish this through the establishment of a dedicated revenue source that would provide the much-needed investment funds necessary to boost tourism in Alberta.

As my hon. colleague from West Yellowhead alluded to earlier, one of the ways we accomplish this task is by converting the Alberta hotel room tax, whose proceeds are currently being funneled into the general revenue fund, into a dedicated tourism levy. According to the latest budgetary statistics, in 2003 the Alberta hotel room tax generated about \$58 million in government revenues. If we were to convert this tax and invest its proceeds in the tourism sector, not only would we potentially be tripling the government investment in this sector, but our intake of revenues from this industry would increase substantially.

To put this into numbers, Mr. Speaker, if our tourism investment in 2003-04 was approximately \$22 million, adding on the \$58 million generated from the hotel tax will allow us to boost our

tourism investment to about \$80 million. This massive increase in funding would not only allow this sector to grow and become more competitive with tourism sectors in other jurisdictions in Canada but could also double its overall revenue from over \$5 billion to \$10 billion. This means that with the added financial boost, Alberta's tourism sector could potentially increase from contributing 3.3 per cent to 6.6 per cent of our total GDP.

For the purpose of comparison, if this sector were encouraged to double its output to \$10 billion, it could potentially match and even overtake the output generated by our food and beverage manufacturing industry. This is highly significant if one considers the fact that our food and beverage sector is currently facing some extremely trying times as a result of the border closure to Canadian beef products.

Now, Mr. Speaker, some may disagree with the provisions outlined in Motion 506 on the grounds that funneling such a large amount of government revenue to only one sector of the economy is not only excessive but also an unnecessary government involvement in an industry that was privatized less than 10 years ago. Well, Mr. Speaker, I personally believe that in this particular case such arguments don't hold much value.

Tourism is the fourth largest industry in our province, which, as I said, generates not only \$5 billion in revenues but also provides employment for over 120,000 Albertans. Now, Mr. Speaker, the potential for growth of this sector is enormous, and the return on investment ratio is very favourable. Therefore, if by tripling our tourism investment by converting the hotel tax into a dedicated tourism levy will mean that we can double the sector's output, I think that we would be committing a grave error by not considering this option. Furthermore, the idea of investing the funds generated by this tax into the tourism industry is reflective of the efforts of many government members, and it's also supported by the vast majority of the sector's operators, businesses, and organizations.

Further to this point, according to the 2003 Alberta tourism survey 91 per cent of those involved in the tourism industry indicated that they wished to see increased marketing and additional resources to increase the sector's market share. The survey also indicated that 59 per cent of the respondents believe that our government has a key role to play in the enhancement and further development of Alberta tourism. Therefore, Mr. Speaker, to argue that Motion 506 represents an unnecessary government involvement into a privatized industry sector is in my view invalid, and the majority of industry stakeholders will agree with me on this point.

In the final analysis, Mr. Speaker, Alberta enjoys a vibrant and healthy tourism industry, whose potential for further growth is enormous. As I said in my opening remarks, Albertans are extremely fortunate to live in a province which enjoys breathtaking natural scenery and environment, thriving rural and urban communities, and energetic and friendly people. Alberta has all the necessary ingredients to become one of the world's premier vacation destinations. Introducing a dedicated tourism levy as suggested in Motion 506 will help us to accomplish this goal at a relatively low cost.

Lastly, Mr. Speaker, this government has gone to great lengths to try to encourage the diversification of our economy. The latest BSE crisis has not only had detrimental economic effects on our rural communities but has also greatly compromised our overall diversification efforts. I am convinced that giving our tourism sector the necessary boost will help put us back on the diversification track and will also help make up for some of the potential losses our economy has experienced as a result of BSE.

With this in mind, Mr. Speaker, I urge all my colleagues to join me in supporting our tourism industry and vote in favour of Motion 506. Thank you.

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

Ms Kryczka: Thank you, Mr. Speaker. I am pleased to have the opportunity to rise and speak to Motion 506, a very important motion, which, if implemented, would boost Alberta's very important tourism industry.

Alberta, as has been noted by my colleagues previously, is a really ideal place to visit and to live. By reputation alone millions of people come to visit each year. From the awe-inspiring natural beauty found in the Rocky Mountains to world-class events like the Calgary Exhibition and Stampede to mammoth attractions like West Edmonton Mall, Alberta offers a wide variety of experiences to people all over the globe.

The list of reasons to visit Alberta is long. The Royal Tyrrell Museum, Head-Smashed-In Buffalo Jump, the Calgary Zoo, Lake Louise, Jasper, Banff, Fort Edmonton, and the oil sands are just a very few fantastic destinations that quickly come to mind. Alberta's very terrain means that the province is an ideal place to golf, ski, hike, cycle, snowmobile, fish, hunt, camp, and so on, and Alberta has shown that it is capable of hosting world-class events such as the Winter Olympics, the world track and field championships, the Commonwealth Games, the Heritage Classic, the World Police/Fire Games, and most recently the Mars 2004 Canadian juvenile alpine championships.

You might wonder why I happen to mention that. I do mention this event in particular because my oldest granddaughter, 13-year-old Stephanie Irwin, competed at these championships and did very well. Also, I know that when you have competitors, officials, and parents attending these national and international events, they also wear another hat, and it's the tourist hat.

8:40

Add these elements to the reputation Albertans have for being friendly and inviting and you have, as I've said, an opportunity for success when it comes to attracting billions of tourist-related dollars. I'm sure you would agree that Alberta truly has a great opportunity to grow tourism. There are literally thousands of reasons why people would want to spend their holiday time in this beautiful province, and by establishing a provincial tourism levy, we could unlock unlimited potential towards bringing more people into Alberta.

There is no denying the importance of marketing your product. Major companies all over the world have gone to great lengths to ensure that the masses are aware of their products or services. Nike, for example, signed golf sensation Tiger Woods to an endorsement deal worth \$100 million over five years, about \$20 million per year. This, indeed, is a large sum of money but is not a cost to the company. Nike knows that by having Tiger endorse their brand name, customers will line up to purchase its products. Paying \$100 million in this manner is an investment which will lead to dividends of exponentially greater value.

I won't attempt to compare the amount Nike pays Tiger Woods to the paltry amount that this province allocates to its \$5 billion tourism industry annually. I do feel, however, that the Nike example demonstrates the importance that successful companies have placed on marketing their product.

Investment is the key to growth. I believe that this statement is true when applied to Alberta's tourism industry. If we do the necessary work in promoting our geography, events, attractions, and people, we can make great gains in this sector. Also, if we use funds to develop initiatives in which we co-operate with other jurisdictions like British Columbia and Montana, not necessarily at the same time, hoping to increase tourism to a greater region, our province will benefit further from increased activity within the sector.

If we invest more in our film industry, we should see an increase not only in that industry but in tourism revenues. We all know how New Zealand has benefited in the billions by filming the *Lord of the Rings* trilogy in that country.

We have already seen that improving the way we manage our tourism industry can lead to increased value. In 1996 after significant restructuring to the tourism industry by this government, Travel Alberta was in charge of developing and expanding tourism in the province. Unfortunately, the industry began to dwindle, not necessarily because of poor work by Travel Alberta but because investment in the industry had dropped substantially. Consequently, the value of Alberta's tourism industry fell to about \$3 billion at the time.

In 1998 the government switched from Travel Alberta and embraced a new approach in the new tourism marketing framework. The change has led to a 53 per cent funding increase to \$16,589,000 in the '99-2000 fiscal year to promote the industry. As the industry is now worth \$5 billion, we can see the value in marketing and investing in our product. In the end it will be Albertans who will benefit from increased tourism. It will mean that Alberta's hotel industry will thrive, restaurants will benefit from more out-of-country clientele, businesses will benefit with more money being spent in Alberta, and more jobs will be created for Albertans. These are all very important reasons why we should commit additional funds to tourism.

Mr. Speaker, it is tremendously important that our tourism industry remain healthy and grow. As I stated before, \$5 billion flows into our province every year because of tourism, and 122,000 Albertans have jobs because of it. Some Alberta towns exist solely because of tourism dollars. We should strive to improve these numbers.

So what are our options in being able to pay for increased marketing of Alberta? How do we find the funds to grow, not just maintain, our tourism infrastructure? These are important questions to consider.

Alberta prides itself on low taxes for its residents, and initially it looks like an increased cost to the taxpayer. However, we are in a unique situation in Alberta in that the opportunities that are afforded to us exceed those that are found in other jurisdictions. As has been pointed out, in 1987 the Alberta government introduced the hotel room tax as part of a strategy to close the gap between what we were spending as a province and the revenue we were bringing in.

In conjunction with other taxes and premiums these funds played an important role in eliminating the province's deficit. Today there's no deficit, and we're nearing the end of the debt that Alberta accrued in the decades leading up to this present government. There are many discussions that revolve around what a debt-free Alberta will look like, and ideas are frequently put forward as to how we can improve the Alberta advantage even further when we are not handcuffed by debt pressures and responsibilities. I believe that establishing a tourism investment by allocating the funds collected through the hotel tax is one idea that we should seriously consider.

At the beginning of this session Alberta's Lieutenant Governor, Her Honour the Honourable Lois Hole, read in the throne speech that one of Alberta's goals was to make the province the best place to live, work, and visit. Allocating additional funding to tourism would fulfill this goal. Alberta benefits from out-of-country visits, but Albertans themselves enjoy Alberta's splendour and spend their time and money within Alberta's tourism industry.

Finally, Mr. Speaker, I'd like to just point out the importance of the timing of this motion. In the past couple of years there have been a number of critical events that have had a negative effect on Alberta

tourism and tourism in general. Certainly, after September 11 fewer people were willing to fly, and tourism diminished across the world. That trend continued during the war in Iraq. Closer to home SARS, although never detected in Alberta, certainly negatively affected the number of people considering Canada as a tourist destination. Most recently we have dealt with two single cases of mad cow disease. While Albertans know that our beef is the finest in the world, uninformed travellers have been wary about coming to Alberta.

In a 2003 survey conducted by PricewaterhouseCoopers, 55 per cent of respondents said that they felt the Iraq war and the SARS outbreak had a significant impact on the Alberta tourism industry. Most importantly, 91 per cent stated that increased marketing and additional financial resources were the most critical elements for industry improvement.

So I believe this is a crucial time to be beating our drum. We need to let the world know that we are open for business and that Alberta is a very viable destination for people from all over the world. We need to do our part in attracting tourism to Alberta. No one else is going to do that for us.

In conclusion, Mr. Speaker, I would like to state that I am in favour of this motion and compliment the Member for West Yellowhead for bringing it forward. I believe it is very important to increase our efforts in promoting this very important industry to the world. By allocating revenues generated by the current hotel room tax for this purpose, we can ensure that tourism plays an even greater role in Alberta's future.

Thank you.

The Speaker: The hon. Member for Edmonton-Calder. You have 40 seconds.

Mr. Rathgeber: Thank you, Mr. Speaker. Unfortunately, I am unable to support Motion 506 although I do believe it is well intentioned. I think a better idea to help the tourism industry would be to abolish the 5 per cent sales tax and allow hoteliers the option of either reducing the room rates by 5 per cent across the board or, alternatively, they could collect on their own and do for their own industry what they're expecting government to do.

Also, I'm not certain why it is incumbent upon the hoteliers to pay the levy when there are other industries associated with the tourism industry, specifically restaurateurs and amusement park operators. All benefit from marketing tourism, but only the hoteliers are asked to pay under this motion.

Thank you.

The Speaker: The hon. Member for West Yellowhead to conclude debate.

Mr. Strang: Thank you very much, Mr. Speaker. I'd like to thank all hon. members who have spoken to Motion 506, establishing a provincial tourism levy. We need to urge the government to move ahead and bring this on stream.

We need to move away from the three Ms: moose, mounties, and mountains. Tourism marketing in Alberta is a lot more sophisticated. We need to move ahead and get this tourism levy moving, and then we can market all the different aspects of this great province of Alberta.

It's great to see the *National Geographic* rank Jasper and Banff as sustainable tourism destinations higher than the Grand Canyon and the Galapagos Islands. This shows how everybody else recognizes the great product that we have, but we still have to strongly sell this message. The big thing that I look at is that this is a sustainable

resource as well as a renewable one. The travelling public is looking for more variety, more interesting places to visit, and we certainly have them in this great province of Alberta.

8:50

We have discussed the aspects of not having a dedicated revenue, but as I review the Community Development business plan for the 2004-2005 fiscal year, a new fee will be implemented in provincial parks and protected areas to ensure that such services as education programs, bus and auto tours, and grooming cross-country trails still remain available to the public. This is why I strongly believe in a dedicated portion of the hotel tax. We are looking at 2 and a half per cent and basically half of what we presently get from this tax.

Mr. Speaker, I have strong support from the chambers of commerce in West Yellowhead – the Edson and District Chamber of Commerce, the Hinton and District Chamber of Commerce, the Grande Cache Chamber of Commerce, and Jasper Tourism & Commerce – on moving ahead to bring in this tourism levy. We will be able to display to the world the products that we have so we can have a great centennial celebration. I strongly believe this will be a great kickoff so that tourism will move up in the ranks of our GDP in our province.

The Alberta Hotel & Lodging Association also supports this levy. They're looking at utilizing this dedicated levy as a strong investment. Statistics Canada indicates that for every dollar of tourism spending, the government raises 3.1 cents. For every dollar spent on tourism in 1998, the federal government raised 14.8 cents, the provincial/territorial government raised 13.6 cents, and the municipal government received 18.1 cents. KPMG indicated that every dollar invested in marketing would increase tourism spending by \$20.

As a final note, I would like to thank the Minister of Economic Development for his strong dedication to this industry, especially moving ahead with his news release on April 2 that an additional \$5 million per year for three year fiscal years has been directed towards tourism marketing and development in Alberta. Adding to the current base funding of \$19.1 million, it brings the total annual government investment in tourism marketing and development to more than \$24 million.

Tourism is one of Alberta's largest industries, generating over \$5 billion annually and employing over 120,000 people. It generates over \$620 million in revenue for the Alberta government through direct and indirect taxation.

Now that the minister has appointed a deputy minister of tourism, this is a great first step. Now all we need is the support of this House for the motion so that we can move ahead and be a stronger contender in tourism marketing for the 21st century.

Thank you very much, Mr. Speaker.

[Motion Other than Government Motion 506 carried]

Game Conservation Fund

507. Mr. VanderBurg moved:

Be it resolved that the Legislative Assembly urge the government to add a fish and wildlife surcharge onto existing fines and penalties related to illegal hunting and fishing practices with the proceeds allocated directly to a conservation fund to support programs that restore and protect game species and species at risk in Alberta.

Mr. VanderBurg: It's a pleasure to begin debate on Motion 507. The intent of this motion is to create a pool of financial resources to complement and assist Alberta's fish and wildlife conservation

programs. I think there should be a stronger focus on the environment, specifically on fish and wildlife species. A wildlife conservation fund would help maintain and improve healthy wildlife populations.

As you may know, there already is a surcharge on illegal hunting and fishing fines, with the proceeds dedicated to the victims of crime fund. I've been reminded on several occasions of this existing surcharge, and some have asked why the Alberta government should consider directing money into this separate fund. The current victims of crime fund works well to assist people by providing one-time funding to help people through the aftermath. However, I do not think that the current victims of crime fund effectively helps conservation officers. There is no doubt that the fund successfully helps human victims, and according to the Victims of Crime Act, the environment is classified as a victim whenever an illegal hunting offence occurs. This hasn't translated into financial assistance from the fund for conservation officers though.

Mr. Speaker, let me give you an example. Let's say that someone is caught night hunting and fined \$2,000. On top of the fine the offender has to pay a 15 per cent surcharge with this dedicated to the victims of crime fund. The penalties listed in the Fisheries Act and general fisheries regulations as well as the Wildlife Act and wildlife regulations are subject to surcharge. The reasoning for this is that wildlife population is directly and negatively affected by illegal hunting practices. I think everybody would agree with this logic. However, this is where the logic ends.

If a fish and wildlife species is directly affected by illegal hunting, there should be an opportunity for people who carry out conservation and enforcement programs to access the fund. However, according to the guidelines of the victims of crime fund, provincial government departments are not considered eligible for funding grants. As a result, conservation officers employed by the Department of Sustainable Resource Development are not able to use any of the funds collected from the surcharges on fines related to illegal hunting. This part of the fund works against conservation programs because the people who need the money cannot access the grants.

Projects within another government department's funding mandate are also not eligible for a grant from the victims fund. As a result, any conservation education or enforcement programs spearheaded by a conservation officer could not use proceeds from the fund.

Under Motion 507 the government would either add a new surcharge on fines for illegal hunting and fishing or take the existing surcharge on these fines and put them into a separate fund. For some members the amount of money in this fund may not seem significant. I think that any additional funding, no matter the size, would help Alberta's economy. Rural areas are relying more and more on existing tourism attractions and building tourism opportunities. As a result, these areas rely heavily on sustainable fish and wildlife to attract tourism. The amount in the conservation fund may not be enough to solve all of the fish and wildlife issues, but it will help conservation officers address some of these problems.

I have several hard-working conservation officers in my area who dedicate a great deal of their time to conservation and promoting responsible hunting and fishing. At times they go above and beyond their required duties to make time for presenting to organizations and helping people understand the need to preserve wildlife populations. I think they do an incredible job, Mr. Speaker, although they tell me that they could do better with a little more help.

A few years ago, Mr. Speaker, a lake was netted in my area, basically wiping out the entire fish population. This caused extensive damage besides the obvious environmental damage to the lake's ecosystem. Any commercial fishing opportunities and the

benefits to the local economy were lost. Access to sustainable fishing for native people was lost. Campgrounds, sporting goods stores, restaurants, boat rental companies suffered because of one poacher.

The netted lake is an example of how additional funding could have minimized some of the damage. An information campaign on the effects of overfishing could have been a proactive step. Also, funding for restocking the lake could have helped our lake recover faster. Neither task would have required a substantial amount of money. Conservation officers, especially those in my area, could benefit from a little more financial assistance to effectively carry out their duties. I've seen what they can do with the current funding they receive, and I can assure this Assembly that those funds would go a long way.

Mr. Speaker, it is safe to say that health care and education will continue to consume the majority of the government's funding. I realize that some of the reforms are underway and others are being designed. I believe that these reforms will stabilize funding so government can concentrate on other issues. However, I do not believe that the immediate problems with illegal hunting and fishing can wait. Furthermore, I think that conservation efforts do not require a major overhaul; they simply require more financial resources.

I see no problem in taking money from people who abuse and destroy Alberta's fish and wildlife and dedicating it to a conservation fund: abuser pay. The added cost to the government to administer this fund would pale in comparison to the benefits to conservation programs and the social, economic, and environmental spinoffs of maintaining wildlife populations. Some of the challenges facing Alberta's conservation officers do not have easy solutions. A conservation fund financed by poachers may help improve Alberta's fish and wildlife resources.

I would encourage all members in this Assembly to support Motion 507, and I look forward to the debate. Thank you.

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

Mr. MacDonald: Yes. I'm interested in participating in the time remaining on Motion 507.

Mr. Speaker, certainly, when the hon. member is describing this motion, I would like at some time to get clarified in debate what exactly is the use of the money now that we're collecting from fees or taxes on hunting and fishing licences. Is there not a portion of that tax being dedicated to the rehabilitation of streams, for fencing around mountain streams to protect them from cattle? This is perhaps a good idea, but is there not enough money now from the taxes on hunting and fishing licences to restore and protect game species and fishing streams?

Some of the finest fly-fishing in North America is in the eastern slopes of Alberta, and I'm of the understanding that that money is going to protect some of those gravel beds. Perhaps I'm wrong, and if the hon. member could clarify that.

The Speaker: Excuse me. I hesitate to interrupt the hon. member, but the time limit for consideration of this item of business is now concluded for today.

9:00head: 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**

Aboriginal Affairs and Northern Development

The Deputy Chair: As per our Standing Orders the first hour is allocated to the hon. minister and members of the opposition, following which any other member may participate in the debate.

The hon. Minister of Aboriginal Affairs and Northern Development.

Ms Calahasen: Thank you, Mr. Chairman. I'm very pleased to present the 2004-2005 estimates for the Ministry of Aboriginal Affairs and Northern Development.

First of all, I'd like to thank my department staff for all their hard work, and I'd like to introduce them to you. They're seated in the members' gallery, so I'll ask them to stand as I call their names: my deputy minister, of course, Paddy Meade – most of you know her now – ADM Ken Boutillier; Neil Reddekopp; our senior financial officer, Lori Sajjad; and of course John McDonough, Thomas Droege, Gerry Kushlyk, Jay O'Neill, Judy Daniels, and Tom Baldwin.

My ministry's fourth business plan reflects our ongoing efforts to take on a challenging mandate. There is continuing pressure on the Alberta government to address aboriginal and northern issues in a timely manner and to work with a view to success over the longer term. My ministry's vision is "an Alberta that includes the full participation of self-reliant Aboriginal and Northern Albertans in the province's opportunities and prosperity." Our mission is to work with our partners, including aboriginal people and other ministries, to support an environment that promotes well-being and self-reliance for aboriginal and northern people and communities.

As a small ministry we are not in the business of program development. We are in the business of building and strengthening relationships. Our role is to be an entry point for aboriginal communities into government in that we provide advice and support to the other government ministries and other Albertans in addressing policy and service issues for aboriginal people and guidance in working with aboriginal governments and communities. We welcome the role of facilitating, co-ordinating, and advising on the development of cross-ministry policies, strategies, and initiatives.

In other words, our mandate is to work with aboriginal and northern people, communities, and organizations, other Alberta ministries, other governments, and the private sector to respond to aboriginal and northern issues. Therefore, our 2004-2005 estimates I believe reflect this mandate and other legislative requirements.

My budget is \$35.7 million in 2004-2005, up \$4.1 million from 2003-2004. A major portion of the budget is for legislative funding requirements or statutory funds provided to the Métis Settlements General Council or pursuant to the Métis Settlements Accord Implementation Act. This act requires payment of \$10 million per year until April 1, 2006.

As well, under the legislation we provide funding to Métis settlements through the matching grants replacement agreement. Of course, this amount is \$4.9 million in 2004-05. The total for Métis settlements legislative requirements and government efforts is approximately \$14.9 million, leaving under \$21 million for all other ministry responsibilities, which we have allocated as follows: Aboriginal Affairs, \$17.8 million; NADC, \$2 million. I know that the chair, the MLA for Peace River, will speak to NADC efforts shortly. The Métis Settlements Appeal Tribunal receives \$0.9 million. We have 79 full-time employees, including 57 in the department, 15 with NADC, and another seven assigned to the Métis Settlements Appeal Tribunal.

The 2004-2007 business plan identifies four strategic priorities that the ministry intends to focus on. On the aboriginal policy framework, which we always talk about and which everyone seems to understand, I hope, we will continue to lead implementation of the commitments made in the APF. This involves working with numerous external partners as well as leading the cross-ministry aboriginal and policy initiative, which is internally working within government.

Capacity building. We will increase our efforts with aboriginal governments to enhance the capacity to form effective partnerships and manage relations with government, industry, and other parties.

Consultation. We will continue to lead development and implementation of provincial processes for consulting with aboriginal communities in relation to land and resource issues.

On the fourth, northern development, we will work collaboratively with other ministries, northern stakeholders, and other partners to address challenges to co-ordinated and sustainable northern development.

Our business plan goals are linked to five goals in the government business plan, and of course the ministry is directly linked to goal 5, "Aboriginal communities and people in Alberta will have improved social and economic circumstances."

We have identified two core businesses, of course making sure to keep within the new government-wide business planning standards and alignment of our funding with core businesses, goals, strategies, and performance measures. The first core business relates to aboriginal people and issues. It is aimed at improving the participation of aboriginal people in Alberta's social and economic opportunities and facilitating resolution of significant issues.

Our first goal is to proactively collaborate with aboriginal governments and organizations, other ministries, and other parties to identify and resolve issues. We hope to achieve this goal through our ongoing efforts to of course do a number of things: one, enhance provincial relations with aboriginal people; two, facilitate inclusion of aboriginal issues in the development of government initiatives; and three, work with aboriginal communities, other ministries, and other parties to identify and resolve issues.

Strategies under this goal include participating in self-government discussions with Canada and First Nations, leading implementation of provincial consultation strategies and activities, assisting with the effective administration of Métis settlements legislation, and encouraging timely settlement of outstanding treaty land entitlement claims in Alberta.

The APF commits Alberta to a proactive, made-in-Alberta consultation process, and we are now drafting guidelines and implementation strategies with First Nations. We are also getting input from industry and other stakeholders. These guidelines and strategies will assist all ministries and industry to manage their consultations with First Nations.

Since 1986 Alberta has contributed to a total of 12 land entitlement settlements for Indian reserves owing under treaty, the best across the country, and we have the best people to do that. They're led by our legal team. I want to say thank you to them because without them it's not possible. We are also working with numerous partners and aboriginal community representatives in Edmonton and Calgary to address urban aboriginal issues.

Improving relations between the province and Alberta First Nations and Métis organizations is another strategy under goal 1. We have identified two specific initiatives under this goal: leading development of a government-wide aboriginal policy checklist to assist all ministries in ensuring that aboriginal issues are addressed in policy development and, of course, working with the Ministry of

Human Resources and Employment to develop economic performance measures from the aboriginal-specific labour force survey.

9:10

Performance measures for goal 1 include the monitoring of Métis settlements' self-generated revenue, an indication, of course, of community self-reliance, and providing a narrative report on the development of the aboriginal policy checklist. This performance measure was developed through collaboration with the office of the Auditor General.

Our second goal is to "assist in development of strategies and initiatives to promote the well-being and self-reliance of Aboriginal people in Alberta." This goal includes leading implementation of the government's APF. The ministry also leads the API, otherwise known as the aboriginal policy initiative, and participates actively in the cross-ministry initiatives. These include health sustainability initiatives, Alberta children and youth initiatives, and the economic development strategy. My department's participation in these priority policy initiatives provides opportunities to co-ordinate Alberta's responses to aboriginal and northern issues.

Of course, another area of ongoing activity under this goal is working with partners, including the ministries of Learning and Human Resources and Employment, as well as industry and the private sector to promote lifelong learning and to increase aboriginal participation in the economy.

Other strategies under goal 2 include working with Alberta Learning and other stakeholders to address recommendations from Alberta's Commission on Learning. Ministry staff will also continue to work directly with aboriginal organizations to enhance their planning and performance measures as part of capacity-building initiatives. As I mentioned earlier, this is one of our strategic priorities, but we will also continue to engage aboriginal youth and industry advisory committees in setting youth directions as well as our aboriginal advisory committee. We will continue to be active participants in federal/provincial/territorial processes focusing on aboriginal issues.

Our performance measures for goal 2 include the percentage of targets achieved in the cross-ministry API. This is an indicator of cross-ministry progress in addressing aboriginal issues. We also report on the percentage of Alberta ministries addressing aboriginal issues in their business or operational plans. In addition, the ministry will provide a narrative report on the results of our efforts with Canada and of course First Nations to address regulatory barriers to economic development on First Nations' reserves, which seems to be coming quite quickly.

Goal 4 in our business plan is organizational excellence. As a relatively new ministry we have devoted considerable effort to this goal. For the coming year we intend to focus on human resource development, information sharing, and support for government-wide practices. We will be using results from the government-wide employee survey to monitor progress toward this goal.

Our second core business under goal 3 is to facilitate development of northern Alberta. Essentially, this means we will continue to work with other ministries and northern stakeholders to advance co-ordinated, sustainable northern development, such as with industry, municipalities, and anyone that we feel needs to be included and wants to be included. We will also implement the Northwest Territories MOU and of course be specifically involved with the Alaska/Alberta committee under IIR. We will continue to represent North America and northern Alberta in the area of the northern forum.

I will ask my colleague the Member for Peace River to provide an

update as chair of NADC and to talk about issues where he feels free to do so. Thank you.

The Deputy Chair: The hon. Member for Peace River.

Mr. Friedel: Thank you, Mr. Chairman and to the minister. As the minister noted, the government has to focus on strategic priorities. Northern Alberta contributes significantly to the economies of this province and Canada as a whole. In fact, a recent study demonstrated that on a per capita basis northern Alberta contributes two to three times the resource revenue compared to the rest of the province. This is a vital contribution to the sustainability of the Alberta advantage. In turn, we believe that we have to ensure the sustainability of the northern economy so that all Albertans can benefit.

The Northern Alberta Development Council and this ministry have focused on that goal. The oil sands development is fairly obvious, and most people have come to recognize its contribution. For a well-rounded economy we also have to be aware of the agricultural industry, the forestry industry, and northern tourism. NADC plays a key role in identifying how vital a good transportation infrastructure is in making it possible to exploit these and other industries. Good road, rail, and air links are essential if we expect people to develop these resources and get the products to market. Recruiting and keeping a skilled workforce is equally important. Training northern residents is the most assured way of keeping people in the area, but with such a huge demand for trades and professional people we have to find ways of attracting outside folks to where it's happening and to make it attractive for them to want to stay.

Mr. Chairman, there are many other programs that we work on such as capacity-building for northern communities, value-added developments, interjurisdictional partnerships, and so on, but I don't have time to elaborate on them in my presentation. I certainly will be glad to answer questions on any of these issues that may be raised, though.

Mr. Chairman and members, the north is an untapped frontier for development, and we are pleased to be playing a part in bringing the opportunities forward.

Thank you, Mr. Chairman.

Chair's Ruling Speaking Order

The Deputy Chair: Hon. members, before I recognize the Leader of Her Majesty's Official Opposition, I just want to put some information out for the record. According to our Standing Order 58(3), as I'd indicated earlier on,

the Committee of Supply shall consider estimates in the following manner:

- (a) the Minister, or the member of the Executive Council acting on the Minister's behalf, and members of the opposition may speak during the first hour.

The chair I guess did recognize the Member for Peace River to speak on behalf of the minister, but as per the Standing Order that is restricted to the minister and the members of the opposition.

Debate Continued

The Deputy Chair: The hon. Leader of Her Majesty's Loyal Opposition.

Dr. Taft: Thanks, Mr. Chairman. I can accept that kind of switch to the rules.

Anyway, I listened with interest to the minister's comments and the Member for Peace River. I will mostly focus my comments, my own questions and thoughts, on the comments from the minister and on the business plan from her department.

It's interesting, I guess, in this Assembly that we use a lot of very bureaucratic language, and we talk in terms of monitoring and initiatives and frameworks and all these kinds of things. We in this room all generally know what those kinds of words mean, but when I sit here and look through the business plan and listen to the minister's comments, I'm inclined to want to speak in much more concrete terms and in the language that the ordinary people of Alberta who are out on the streets or in their homes would understand and the issues that I think they would be most concerned about. So my questions may not fit with the kinds of structure that the minister has for her department or her thoughts, but they are going to come her way nonetheless from me, and she can do her best to respond as we go along.

I've ended up making notes on eight different topics: on employment, education, justice, child welfare and children's services, housing, health, culture, and economic development. Those are the points around which I'll be organizing my questions to the minister.

I'm largely prompted to do so under point 1 on page 102 of the Budget 2004 business plans. The subtitle is "Aboriginal well-being and self-reliance." It says, "The Aboriginal population is growing faster and is younger than the non-Aboriginal population. The highest population growth is in urban areas." My questions really are intended not to focus exclusively but largely on urban areas. One border of my constituency is defined by Stony Plain Road in an area where there's a major program, a major agency serving the aboriginal population, and I'm thinking especially of those kinds of people when I raise my questions.

9:20

My first questions to the minister are around employment and job training. Now, it's a common saying that a good job is the best social program, and I think there's of course a lot of truth to that. Unfortunately, the unemployment rate in the aboriginal population is very high, far, far higher than it is in the rest of the population. That stems from many, many issues: cultural issues, education issues, and on and on.

When the minister talks about her department's role as being one of building relations and facilitating the work of other departments when it comes to aboriginals, I'd like some specifics, if she can give them, on the relationship building and facilitation that's going on concerning employment for aboriginals. What are we seeing perhaps in terms of job placement, if anything, and how is that work being facilitated? Are there placement positions or placement programs with private-sector employers? I'm sure there are. Are there placement programs with the provincial public service itself or with nonprofit agencies or other levels of government? Is there any support given to aboriginal small businesses, or what kind of facilitating occurs there? Are aboriginal small businesses encouraged to get involved in chambers of commerce or in perhaps obtaining funding from banks or from credit unions or from the Business Development Bank or something like that? So these are really issues around employment. What work is going on and will be going on this year under this budget to improve the employment prospects of aboriginals in Alberta?

The second topic I'd like to spend a few minutes on of course relates to the first. The second one is education, and this is key to all kinds of things. I'm sure we all know in here that good education is an excellent predictor of good employment, of good health, of minimum contact with the justice system, and generally of a happy

and successful life. Again, the education prospects of the aboriginal population are not what I think we would all agree they ought to be. So what kind of facilitation is being undertaken by her department to improve the education prospects and opportunities of the aboriginal population?

Is there support for any kinds of special school programs? I know that in my constituency there's a special program at Sherwood school under the public school board. Is that something that is occurring on its own through agencies and the community and the school board? Is that something that the minister sees her department having a role in? Maybe it's not necessary in Edmonton, but what about in other parts of the province? I would like some comment on that, for if there's one thing that should be the ultimate priority of this department, I would think it would be improving the educational lot of aboriginals in Alberta.

Of course, that doesn't just apply to schools. It also applies to postsecondary learning institutions, so is there work occurring in this budget to facilitate the success of aboriginals in postsecondary institutions in Alberta, whether that's universities or NAIT or colleges? How are we encouraging aboriginals and supporting aboriginal people to go on after they finish grade 12 to become journeymen blue-collar workers or to become professionals or teachers or nurse practitioners so that they can serve their communities either in remote areas of the province or in areas like Stony Plain Road right here in Edmonton?

What about education support for adult aboriginals who are living on their own? I'm thinking, for example, of upgrading or encouraging adults to return to finish high school or even to get basic literacy and numeracy skills. How is your department reaching out to the community, reaching out to the colleges or to the special programs across Alberta that upgrade people so that they can complete grade 12 and move on to postsecondary education? How are you reaching out to the adults who never had the opportunity to finish schooling?

The third area is justice. I notice the Justice minister is here tonight, and I know he's got concerns and thoughts on the disproportionate number of aboriginals in contact with the justice system. Again, what is the minister's department doing to address the issues that aboriginals face in relation to the justice system of Alberta? Of course, prevention would be the very best thing to emphasize, I suppose, if we had a choice, preventing people from becoming incarcerated or ending up in court. That may well involve improving their education or ensuring that they have a job or giving them better housing and so on. What kind of prevention work is being facilitated through this department so that aboriginals don't end up in the justice system in the first place? Is there liaison going on with police departments or with the court system or with the support systems that are there for people once they're discharged from the justice system?

What about addiction treatment programs? What work if any is being done by this department to address the addiction issues faced by the aboriginal population? I'm not saying that you have to be involved in all of these areas. I'm just looking for the facts here. Is that something that is delegated entirely to AADAC, or is it something that your department has a special role in in terms of connecting the AADAC and other services to the aboriginal community? So those are the questions I would have on the minister's work on justice issues.

Children's services and child welfare were next on my list. I think back to work I did many, many years ago in child welfare in Edmonton and, again, the disproportionate number of child welfare recipients who were from the aboriginal community and the need to be really plugged into that community to intervene as early as possible and prevent small problems from becoming big problems. This would be work, of course, being done through the Children's

Services authorities, but what role does the department of aboriginal affairs have to play in addressing children's services and intervening, for example, or facilitating other organizations to intervene in families at an early stage?

Does the department have a role to play in ensuring culturally appropriate family supports for aboriginal children so that if they do need to be removed from their family, they can remain connected to their culture?

Finally, of course, support for Children's Services agencies in urban areas, where we may have aboriginal families in predominantly nonaboriginal neighbourhoods or communities. They may be isolated. They may be needing support. They may be needing some kind of intervention in urban areas. Is there a role for this department to play to reach those kinds of families and the children either through the school system or through community agencies or through children's services agencies? Or perhaps, quite appropriately, the department has said, "No. We're leaving that to the children's services authorities or somebody else, the school board."

9:30

So I'll stop there. Just to recap, the four general things I was asking the minister about are job training, education, justice, and child welfare. If the minister wants to make some comments now on her department's role in those areas, I'd be quite interested. Thanks.

Ms Calahasen: Well, I can do that, Mr. Chairman. First of all, thank you for the questions. I think it's important to be able to address some of them. I'll try to hit as many as I can, and then we'll certainly write if there's anything that I missed that could deal with some of the issues of my budget.

I want to talk about a very important area which is the language, culture, and places that I feel very strongly about. I think it's important that no matter what happens, no matter where the kids are or where the people are, they should have those connections. So what we do in Aboriginal Affairs is try to make sure that we facilitate. We work with families. We work with individual organizations. We work with industry. We work with whomever we can to make sure that we continue to do that. That to me is really important no matter where we go. We work with schools as well. I want to go into the specifics that you're talking about.

As you were saying about unemployment and job training, unemployment, as we know, is very high in some communities. It's been getting better, and I think this is really important. When you look at the labour force statistics that Human Resources and Employment did – and this is where we were involved with them – just as an example, Alberta aboriginal people off reserve, working-age population by age and gender, all aboriginal people in March 2003 is 85.9 and March 2004 is 86.6.

Then when you look at the breakdown, you begin to see that there are different things that happen as a result of the working age and the population. Just to give you an idea as to statistics, in March 2003 all people in the labour force was 61,000 and in March 2004 it was 60,000. So there's been a slight drop. The unemployed and the employed is really interesting because in March 2003 it was 5.9 per cent and in March 2004 it was 6.1 per cent. That's all aboriginal people. So when you look at that, you begin to look at pretty high unemployment rates.

What we've been trying to do is get information that we never had before to be able to work from. So this was a very important document, and it will continue to work very well when we're talking about economic and demographic analysis so that we can begin to use this as we move forward. If you notice, even in some of our areas where there are measurements, it's really hard to come up with

the data. What we need is the data because this kind of information is really important.

In terms of the job training, as you know, we have had really good success with partnerships with industry, and industry has certainly come to the table. We have something like over 50 partnerships that are happening. This is on an economic development side as well as on a training side. What we have is some 50-plus partnerships, and it's growing. I don't know the specifics in terms of the numbers as of today; however, it's growing. What we have are training possibilities that come about in each different area and each different sector, whether it's in energy or whether it's in environment or whether it's in forestry or whether it's in wind power, et cetera. So we've got different kinds of groups that are coming to the table wanting to bring job training and talk about training the people so that the young kids and the aboriginal community at large can come and be able to be trained for specific jobs.

We'll get the numbers. I don't know when those will come, but as soon as we can get those numbers, we'll certainly provide them to you. I think that's really important. You're right. To get out of poverty you need a job. You need the opportunities in order to be able to get a job, and that's what we've been trying to do.

So what we do in Aboriginal Affairs and Northern Development is we facilitate that within the community at large, not to say that you have to hire the people. What we say is that you have to work with the First Nations and the Métis and make sure that there are some training opportunities for them so that they begin to train for those jobs that are available out there.

We've also been looking at ways for us to work with industry so that they can begin to tell us an inventory of the kind of skill development they require for their businesses and their industry. So we begin to look at how we can work with Human Resources and Employment, and from that we can begin to look at training that Human Resources and Employment has and then try to measure and meet up with industry as well as with the aboriginal community so that we can begin to see how the jobs can be a result of that as we train them.

There's been a lot of job shadowing that has occurred. I've got to give industry a really good plug here. What they've done is they've said: we are willing to do this if we know what it is that we have to do. We've got people who have come to the table and indicated: we'll take people on so that they learn what it is that we're doing, and then that way they can move into those positions.

So we've been doing those kinds of things but not only with industry. We've also been doing it within government. We have been doing it within our department so that our department can also begin to see the possibilities of the training that could happen and make sure they understand maybe management or other kinds of responsibilities as well as working with personnel and being able to ensure that we can continue to work in that vein. That to me I think is one of the most important parts of making sure that we hire people that want to be there, that want to be trained for those specific areas and continue to move in that direction.

On education. This is one of my passions. Education to me I think is one of the most important keys to aboriginal people being able to get where they want to go. I know that no matter what happens, we have to continue to educate the people. We have to make sure that kids can reach grade 6, grade 7, grade 8, grade 9. As a person who has been involved in that and interested in that, you know that it is one of the most difficult times in aboriginal country to be able to overcome the grades 6, 7, 8 and 9 level and move on into high school.

I have to commend our colleague the Learning minister, who's been working on a number of different initiatives that will help

students be able to overcome that inertia and move forward. As a matter of fact, there are some 15 recommendations from the Learning Commission that I'm very proud of, that were actually also to be looking at the First Nations, Inuit, and Métis education policy being adopted, which has a lot of recommendations. I think those are the kinds of things where we begin to see some real advances in terms of the areas of concern when we're talking about education.

In terms of connecting for the aboriginal people to become professionals or semiprofessionals, what we've been trying to encourage is work with the colleges and the universities. As a matter of fact, on a yearly basis I meet with the president of the University of Alberta, and we talk about initiatives that are specific to aboriginal communities and northern people. What we try to do is figure out how it is that we're going to be able to look at how they can begin to accommodate the aboriginal community coming in to make sure that they can become professionals as well and that they can be accepted into many of the different faculties. It doesn't just have to be education. There are other faculties that we've been trying to ensure that we work together with in getting there.

The other one, of course, is that we've been talking to NAIT, and of course SAIT has also been involved. How can we ensure that on the technical side and on the labour side and the technical development, we will work with them in terms of how they can also begin to go into the communities and make sure those communities can access the technical side, whether it's pre-employment or pretrades?

As an example, in Wabasca the Bigstone band just graduated some 12 people who were in pre-employment trades so that they would begin to recognize where it is that they want to go. Is it welding? Is it pipefitting? Is it those kinds of things? Then they begin to explore those areas of interest that they would like to see. That was a really great graduation. There were 12 individuals who kind of decided that, okay, some of them wanted to be welders, some of them wanted to be pipefitters, some of them wanted to be electricians, and some of them wanted to be carpenters. So we had a whole variety of people wanting to do different things.

9:40

But those are the pre-employment trade types of initiatives that my colleagues from Alberta Learning as well as Human Resources and Employment have been involved in as well as Aboriginal Affairs and Northern Development. We facilitate that kind of an idea. We work with the First Nations and the Métis to come to the table and bring not only the NAITs or the SAITs or the universities but the colleges as well to be able to provide that kind of information.

Maybe I'll go to the justice system now. As you know, the Minister of Justice certainly has been improving life in the justice area. I want to say that it's the first time that we've seen some aboriginal judges being appointed, and that's a result of a movement within this government making sure that we work in that direction. We want to be able to see how those kinds of decisions that come from those judges make application on the cultural side. So what they do is they work with the culture, see what they can do to work with the aboriginal community so that the decisions will be better in terms of making sure that we don't have as many people as we do have in the justice system.

The other one, of course, in terms of justice is that we had a few areas where we were working – I can't remember the project, but it was in the Fort Macleod area – to make sure that we can look at relationship building. The community and the friendship centre were working with the RCMP to be able to see how they can improve relations and make sure that they continue to work in that vein so that it doesn't become negative, and it's that whole area on the justice side. My colleague from Fort Macleod certainly knows that one and has been advocating for that.

This sort of ties into Children's Services as well, the family violence round-table. You know, like in most cases when there's anything of violence that happens, people are usually taken into custody or taken to jail. With the family violence round-table we want to be able to see if we can look at not just a punitive system but rather a way of dealing with healing of the whole community and the family. What we've done is we've encouraged the aboriginal community to be involved in our family violence round-table so that they can bring their views of what they see as a justice system that would work for them when it comes to any kind of issue like this. So we see that involvement, and what we do is facilitate that as Aboriginal Affairs and Northern Development. We encourage involvement, and we try to do whatever we can to encourage their involvement in all areas.

Children's Services. You're right; intervention is really important. It is really totally important. So how does Aboriginal Affairs and Northern Development get involved? Well, we do a number of things. First of all, we organize meetings for people if they need it, First Nations as well as their agencies. We intervene for aboriginal families and children. We help ensure that there's going to be involvement of the aboriginal community when there are policies that could potentially affect them. What we do is we also make sure that we encourage a cultural component in things that will affect aboriginal communities.

As an example, region 10 exists as a result of the fact that the Minister of Children's Services wanted to ensure that there was an aboriginal component. We supported that, and we wanted to make sure that we were part of that. We've been working with my colleagues who are responsible for their areas because we're not program deliverers, service deliverers. What we do is we facilitate, we support, we encourage, we advise, we do intervention in some cases, and we certainly try to ensure that aboriginal families are going to be recognized in whatever happens and in any decisions.

So I'll leave it at that for now, and any other questions that I may have, I'll answer as we go through.

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

Dr. Taft: Thanks. I appreciate those comments from the minister. I'm trying to picture myself being somebody who isn't normally in here, somebody who isn't normally conversant in the ways of government and is struggling to get along in the world and is attempting to understand what facilitation and monitoring and intervention and all of that means. So I really encourage the minister to be as specific as possible.

The next area that I find myself thinking in terms of is housing and the need for housing that is safe, housing that is accessible, located where people are living and they can use it, housing that is affordable, and housing that is healthy. Again, I know that this department doesn't provide housing services per se to aboriginals, but it's a pretty fundamental need, and I would be interested if the department has specific activities to facilitate better housing for the aboriginal population and how they might encourage a better quality of housing.

I'm thinking of problems that I hear about with, say, safe water, with fire hazards, with an issue that I've raised in other contexts in this Assembly: concerns around toxic moulds growing in aboriginal housing because of maintenance problems. So is there anything in this budget and its many millions of dollars that will facilitate an improvement in the housing of the aboriginal population?

The next topic I'm interested in is health. Of course, it relates, as I said earlier, to issues like education and employment and housing. The aboriginal population has a considerably shorter life expectancy

than other Canadians, has a much higher morbidity rate, many more diseases, from diabetes to mental health issues; you name it. There's a much higher rate of health problems among the aboriginal population. Clearly, those are issues either addressed primarily by the regional health authorities or by the federal government, but is there a role in this department for facilitating an improvement in the health of the aboriginal people of Alberta?

Specifically, I'd be interested if she could comment or respond in writing about health initiatives in urban centres and health initiatives concerning mental health and, also, if there's been any thought given to encouraging the department of health to appoint a director of aboriginal health services or health issues within that department to bring a focus in the government's health system to aboriginal issues.

After health I want to raise the issue of culture. I think it's pretty evident that a strong and vibrant culture produces healthy and successful people, and the aboriginal community in this province and across this country is struggling still to maintain its cultural identity through pressure on its language, pressure on its customs. At the same time, as anybody who has gone to the powwows or other ceremonies has seen, there's a determination to preserve and develop the aboriginal culture and, I think, probably a renewed interest in that culture from the nonaboriginal population.

That culture is sustained through communities, through people coming together to share events, to share stories, to share a language, to share their customs and their food and their dances and their rituals and their music. What's the department doing to ensure a vibrant aboriginal culture in Alberta? Specifics on that would be helpful. You know, not just saying: well, we facilitate that. But some specifics. What are you doing?

9:50

The last topic I'll touch on tonight in this department is around economic development. I know that isn't just an issue for the minister; it's an issue for the Member for Peace River, who is the chairman of the Northern Alberta Development Council. Clearly, there is a lot of interest in resource development in northern Alberta, whether that's oil sands and petroleum resources, forestry resources, agriculture, and maybe even diamonds or other resources. There has been some real success in some of these areas. I know that some of the major oil sands companies are renowned for having excellent aboriginal employment programs.

But, again, I'm concerned about activities in urban areas. The reserves are primarily the concern of the federal government, but the economic opportunities for aboriginal people in urban centres, I think, are pretty limited. I'm particularly thinking of what's been in the news recently around the development of casinos on reserves and whether the minister or her department has any role or any view or policy on casinos as an economic development cornerstone for the aboriginal community because it looks like we're headed in that direction.

I personally have very mixed feelings about that development, and I'd be interested if the minister has comments on that or if there are any proposed activities in the department this coming year to address economic development issues in relation to casinos and maybe spinoffs from that, maybe tourism. Maybe there's an opportunity to do great cultural development or cultural activities and tourism with casinos. I don't know. But it seems like that's going to be a big issue. This is the department of aboriginal affairs. How does the department connect to that issue?

Thank you, and that will wrap up my comments for tonight on this department. Thanks, Mr. Chairman.

Ms Calahasen: Well, you certainly have asked a lot of questions,

and I want to make sure that we do give all your questions due consideration, and anything that I miss I want to make sure that we will provide that in writing to you. So I will make sure I do that, and the questions that I don't address, I will try to get to you as indicated.

I just want to go back to some of the questions that you asked originally, and I just wanted to talk about the aboriginal populations you were talking about. In all Alberta cities, of course, in 1996 there was 70,800 population, or 45.5 per cent of the provincial total. Of course, in 2001 all Alberta cities, 91,985 population, an increase of 21,185 people in five years that have moved from the reserves to the city.

I want to go back now to the housing component. As you know, one of the greatest concerns that I've heard from aboriginal communities is housing. They always are coming and talking about this. So what we did was we did take this to the western and territorial ministers. We wanted to make sure that we got this on the national agenda, and we want to address this through, of course, the homeless strategy and make sure that we do land claims and other settlements with First Nations to address some of the housing issues.

We've worked on, of course, a number of the fire safety issues on and off reserve. As you know, there's some disconnect there, and we've been trying to make sure that we do that.

We also want to ensure that on the provincial front – and on the FPTA area I've addressed that with the minister of INAC to ensure that we do deal with housing at that level, and most of my colleagues on the FPTA are certainly very supportive of us discussing housing needs all across Canada. So we have housing not only on the western front and territorial front but also on the national front. The First Nations are certainly bringing it to the table as well because they are really going through a housing crunch.

Of course, on the provincial front, as I was indicating, we have the remote housing, which now addresses some of the aboriginal communities, such as in the Grande Cache area and some of the northern communities in the Fort McMurray area and of course in my constituency as well as the constituency of Athabasca-Wabasca. We've got those areas beginning to be looked at in terms of housing. So we're dealing with those communities.

In terms of health, what I wanted to talk about – you said to be specific. What we're looking at is implementing 52 new aboriginal wellness initiatives which are really key to ensuring that we deal with the health issues of aboriginal communities. We are working with a wellness committee that has been established by Alberta Health, and that's the aboriginal component, looking at different initiatives within the health area. As a matter of fact, Aboriginal Affairs and Northern Development initially, in my view, helped establish the aboriginal health strategy, in which one of my department members was involved. Those are the kinds of specific areas that I wanted you to be aware of.

You asked me about casinos. As you know, I was the chair when we were developing that casino policy, because the First Nations wanted to be at the table when it came to casino development. So what we did was work with Alberta Gaming as well as my department and facilitated that meeting so that we could develop the policy. It is the first of its kind in Canada relative to a First Nations policy that would deal with gaming. There are other policies across Canada, but this was very specific in terms of the agreement that was achieved. I believe that was really an interesting one because that sort of set the stage for them in terms of what they can do.

As a matter of fact, there was one just announced the other day, the Enoch casino, which they've been working on for a long time. My understanding is that as they begin to develop and know what to do, we're going to see a little bit more. It's their wish. They should

be able to determine their own destiny as to what they want to do, and I think it's important as Aboriginal Affairs and Northern Development that we help them achieve their goals and become successful no matter what they want to do. If it's their wish to be involved in casinos, then we help them get where they want to go. The casino policy is a very important policy for them. It's their wish to see things happen, and that's where we will be when it comes to determining what needs to happen.

On the health issue, as well, we've been involved in the diabetes strategy. We support the Mental Health Board and, of course, a number of other initiatives that are culturally appropriate in the health area. You wanted me to be specific on some projects here, and I thought that this was really important. In Edmonton my staff are working with the Eastwood community for the health centre project to include aboriginal-specific programming, looking at hiring aboriginal health workers, developing a more holistic core system that will be open to nonaboriginal people.

So those are the kinds of specifics that we're working with. I think that what we will do rather than name all the specifics here is provide you with all the necessary information that we can provide you with and ensure that you get the information.

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

Mr. MacDonald: Thank you, Mr. Chairman. [interjections] I can only assume that Calgary scored, and I hope they did.

It's a pleasure to participate in the debate this evening on the estimates from Aboriginal Affairs and Northern Development. I've been listening with interest to the exchange between the hon. Member for Edmonton-Riverview and the hon. minister and the hon. Member for Peace River.

10:00

My first question would certainly be surrounding the Northern Alberta Development Council. What role, if any, has the council played in the idea of the railway to Fort McMurray and beyond?

[Mr. Lougheed in the chair]

I know that Economic Development has put forward money to have a look at this proposal. What, if any, activity around the Northern Alberta Development Council has occurred? Does the Northern Alberta Development Council approve in principle the idea of either building a separate rail line or upgrading the existing one to Fort McMurray, and is any wood fibre from the north being considered as a potential freight for that development, if it were ever to be built?

Also, have there been any further discussions or studies done on an east/west road to connect the Fort McMurray region south of Wood Buffalo national park, of course, quite a bit south, across to the Peace country? What, if anything, is going on with that idea?

Now, certainly, you know, this department hasn't been without controversy in the last year. There have been significant discussions, Mr. Chairman, with the Northern Alberta Oilfield Contractors in regard to land claims and land claim settlements. Now, when we talk about the aboriginal land and legal issues within a section within the ministry, I understand that section helps identify and resolve issues surrounding land claims here in Alberta. Co-ordinates all provincial activities or just those within the Department of Aboriginal Affairs and Northern Development? Or does that co-ordination mean also the activities within Alberta Justice, which I would assume represents Alberta's interests in the courts?

Now, I would think that whenever we're dealing with a lot of land

claims settlements and a lot of land claims issues, there must be significant legal costs involved here. Where are those costs? Are they with Alberta Justice? Do you hand over all legal costs to Alberta Justice? If you do, what is the total of those costs? Do you handle them in-house? How many of those legal costs are contracted out to outside legal firms?

Certainly, I know there are over 35 land claims, but it would be interesting to get an update. In particular, I think it would be of particular interest to the Northern Alberta Oilfield Contractors, for one, to many of the First Nations bands. Could we get an update, please, on how many land claims are outstanding? There are over 30. Perhaps there are as many as 35. I think one or maybe two have been settled. What is the contingent liability for those land claims? Also, where would I find the commitment in the budget? I understand that over the next five years there is a commitment to pay out in excess of \$14 million under a settlement agreement with a First Nations band. Which band is that, and where do I find that commitment in the budget estimates? I think it is of public importance.

Now, the hon. Member for Edmonton-Riverview talked a little bit earlier, as did the hon. minister, about when we look at the employment rate, and we look at the percentage of population completing high school, the percentage of population completing postsecondary, or the life expectancy of First Nations people and other Canadians, and there is a significant difference. It's all fine, but it's not.

There is no reason why the employment rate in the aboriginal community should fall behind the nonaboriginal community. One only has to look at some of the public policies that are being discussed in this province. There's a shortage of labour. There's a shortage of cheap labour, but there's not a shortage of labour. I would encourage the hon. minister to look at the First Nations communities as a source from which we can train people for the jobs that have been created in this province. There is no reason for this employment rate to be so different between the aboriginal and nonaboriginal population.

As the north is opened up for development, this is a perfect opportunity to train First Nations people not only, as the hon. member said earlier, in the skilled trades but also in the health care professions, encourage an increase in the number of aboriginals that are attending university. This is very, very important. When we look at the entire population in this province that's between the ages of 15 and 24, over 10 per cent of them are unemployed. I don't know exactly how many of those are aboriginal youth, but we have to work at this. Before we start entertaining programs to recruit workers from other countries, we've got to make sure that we make every effort to train Albertans, and that includes Albertans from the aboriginal communities.

Now, my colleague talked about access to health care, but I would encourage the hon. minister to make every effort, again, to make training programs accessible for the aboriginal population. If that means working in partnership with groups, with trade unions, with community colleges, I don't know. But I know that the bursary program that was initiated has been accessed by First Nations students, and I think we need to see more of that. I would like to see, hopefully next year, a significant increase in the number of First Nations or aboriginal students accessing those available bursaries.

Mr. Chairman, with those questions, I believe I will take my seat. Those certainly are all the questions I have at this time, but I would be very anxious to get an update on all the land claims that are still outstanding and the legal issues surrounding them, because we certainly had quite an interesting debate in here last session in regard to aboriginal land claims and the Northern Alberta Oilfield Contractors, particularly around the Slave Lake area.

There are still, in my view, many outstanding questions. There are

still many issues to be resolved. I look forward to hearing the hon. minister's answers. Thank you.

10:10

Mr. Friedel: Well, Mr. Chairman, the first couple of questions were directed at the activities of the Northern Alberta Development Council, and I'm going to be dealing with those.

The first question that was asked was: did the NADC or does the NADC have any role in the current proposed railway to Fort McMurray? At this point we have no direct role. I'm assuming that your question is related to financial involvement. We have no financial contribution. But we definitely are following this with a great deal of interest because there's no doubt, when you're dealing with the kind of freight that goes to and from some of these northern resource communities, that it takes a tremendous toll on the current highways. If this railway can be developed at a reasonable cost, as has been said, I think, a number of times in this Assembly, with the industry making the financial contributions, it could be quite a boon to the north.

Just as an example, the railway right now from Hay River down to Edmonton has been there for quite some years. It's been developed almost hodgepodge, piecemeal over the years through NAR and such, but I would hate to guess what the development of either that part of northern Alberta or the Northwest Territories would be without that facility.

If I can even stray a little bit, we're working very actively on an east/west connector from the greater Peace Country through B.C. to the port of Prince Rupert: you know, possibly containerization and such facilities. Getting product to tidewater right now is horrendously expensive, and a more direct and, I would suggest strongly, more efficient route could be by rail. I'm just making those comments because, you know, that should suggest why we would be interested in seeing some reasonable development of a Fort McMurray railway as long as it's feasible and reasonable.

As far as the east/west connector road, that's another project we have been working on very actively. We've been working with a consulting firm and a number of industry representatives from the area possibly to promote a P3, or if I can be so bold, maybe a P15 or P16 because of the number of industries and communities that want to get involved in this. Because of the terrain, some of it muskeg and that, it's an expensive road. Right now many industries build licence-of-occupation roads, LOC roads, at their own expense for their own purposes and typically lease right away to other companies.

If they could be on the right alignment to facilitate what could be a permanent public road, these companies, we believe, are more than willing to ante up financially, I would suggest, possibly more than half the cost of such a road. If through that kind of a partnership it could be made possible, we would definitely be putting our technical resources at the disposal of the minister and the department. In fact, we have met several times with the minister and some of the department officials, and in the next few days there are some community meetings to determine what the communities along the way would expect, how they hope to benefit, and what they might contribute. So this is definitely one of those stay-tuned, I hope good-news stories for the very near future.

[Mr. Shariff in the chair]

I believe the minister might be talking about some of the other issues, but as far as the NADC bursary you did ask a question about whether aboriginal students had access to these. The answer is

definitely yes. I can't tell you off the top of my head what percentage, but the bursaries are based on application by the students. It's a very good cross-section of the northern part of the province that the bursaries are distributed through. I think the short answer is the one I gave you. There is no distinction on race, certainly, and many aboriginal children have taken advantage of these. I shouldn't say just children because many students nowadays are adults returning to learning.

I might add that our bursary has been made a little bit more flexible not specifically, again, for aboriginal students but because of the nature of the remoteness. A lot of bursaries people would expect would be the kind that, you know, if you're going to university, you're a full-time student. We've tried to make it flexible so that even part-time students who have difficulty leaving home, you know, going to where the technical schools are and such and possibly even some skills upgrading programs, can take advantage of it. So it's very much fine-tuned to help people in the smaller remote communities.

I think those are the questions that you asked that specifically related to NADC.

The Deputy Chair: Hon. minister, you wanted to answer?

Ms Calahasen: Did you want me to answer, or do you want to continue?

Mr. MacDonald: I have one more question to the hon. Member for Peace River.

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

Mr. MacDonald: Yes. Thank you, and I appreciate the co-operation from the hon. minister.

Again for the hon. Member for Peace River in charge of the Northern Alberta Development Council: is the council working in any way with any other government departments in regard to this proposal that's coming out of British Columbia for another development on the Peace River on the B.C. side in regard to hydroelectricity? How does the development council feel about this proposal that's coming from the B.C. government to add another dam onto the Peace River on their side of the border of course? Is there any co-operation between other government departments in the province, and is there any discussion with the federal government in regard to this matter at this time?

Thank you.

The Deputy Chair: The hon. Member for Peace River.

Mr. Friedel: Thank you, Mr. Chairman. The news of, you know, a proposal from the B.C. government to expand their hydro dam network on the B.C. side is about as much news to us as it is to you. There hasn't been any in-depth discussion. We certainly are following it with some interest. The involvement we have probably would be more along the lines of the Glacier Power proposed developments on the Alberta side, the smaller weir-type dam, which has a lot of potential for the Peace River itself not just in that location but maybe even others if it proves to do everything that these people have suggested it will. But NADC has not had any direct involvement with B.C. Hydro on another dam on the B.C. side.

Ms Calahasen: I'll just answer a few questions, and then we can send you some information in written format. I think there have

been questions relative to education and what we are doing with employment and pre-employment and trades, of that nature. I wanted to ensure that you understand that we are working with many departments through the APF and the API. What we've been doing is trying to make sure that we're involved in a number of the initiatives, whether it's through the federal ministries or whether it's through our own ministers or with the private sector and the communities, and we've been working in partnership with those communities to ensure that we look at the greater aboriginal completion and success in learning.

Just as an example, under the API we're supporting many initiatives – mentoring, early childhood development, school readiness programs, those kinds of things – to begin to look at the educational attainment that we were talking about. This year we'll have an aboriginal identifier looking at better-tracked school results to help address, I would say, the progress and make sure that we continue to work with those universities and colleges that I indicated.

10:20

On the issue of aboriginal people training, we'll train our own. That's one of the mottos we've accepted under the FPTA as well: to look at training our own. Then we'll work with the rest as we come forward, but it's very important that we train our own and employ our own. That's a message that we continually bring to the table, and we'll make sure that we continue to do that. So with your support I'm sure that we'll be able to get things done, because we need to continue to bring that message to all tables. I think that that's an important part.

Just so you know what kind of employment or labour – I never finished my comment relative to the unemployment rate. I just wanted to talk about that. It actually decreased 4.8 per cent, from 17.4 per cent in 1996 to 12.6 per cent in 2001. For the nonaboriginal population the decrease was 2 per cent. So we begin to look at the information that you are providing to me. That's why it's important that we continue to work with HR and E and many other departments to participate in what we call the aboriginal labour force survey, so that we can begin to see how we can improve in that area.

In the area of concern that you were talking about, the contingent liability issue, it is actually \$129 billion in litigation. That doesn't include land claims. This is the amount claimed in lawsuits. In the opinion of our lawyers, of course, this does not represent a realistic amount. In land claim negotiations we co-ordinate all Alberta ministries. I don't know if you know that, but certainly we do that co-ordination with all Alberta ministries. Negotiation or legal costs are handled by outside legal firms. Aboriginal Affairs and Northern Development pays about, I would say, \$400,000 a year. Most litigation is handled by Justice, so we have to work with Justice there.

There are, in fact, three land claims – Lubicon, Bigstone, Fort McMurray – that are outstanding. Payments will be made over the next five years to the Piikani nation, and these are installments in my budget of \$32.15 million that were reported in the year of settlement. That was 2002-2003, if you recall, when we talked about that. That was an important settlement.

Of course, we have a number of other areas that I think it's really important that we continue to work with the treaty land claims. As I indicated, we probably have the best group to be able to work with that. So in terms of why we are involved in the settlement of land claims or what is the status of land claims, as I indicated in my speech, we have done 12 treaty land claim entitlements since 1986. This is really a record. It's really absolutely wonderful. Of course, you know the benefits that the First Nations have as a result of this.

We continue to make sure that we do that, because in the natural resources transfer agreement, under which Alberta received administration and control of Crown lands and resources, the province agreed to assist the federal government to meet its treaty obligations by transferring unoccupied land and minerals to Canada for Indian reserves owing under a treaty. So we continue to do that, and that's directed under my department.

The Deputy Chair: After considering the business plans and proposed estimates for the Department of Aboriginal Affairs and Northern Development 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	\$25,784,000
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The Deputy Chair: Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Hon. members, if you'll just give me one minute. The minister is indicating that the budget should have been \$35 million. My records here show \$25 million. We need to make sure.

Hon. members, according to the estimates that are before us, the amount requested is \$25,784,000, and that is what we voted on, and that is what shall remain.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Chairman. I would move that the committee now rise and report the main estimates of the Committee of Supply for the Department of Aboriginal Affairs and Northern Development.

[Motion carried]

[Mr. Shariff in the chair]

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

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2005, for the following department.

Aboriginal Affairs and Northern Development: operating expense and equipment inventory purchases, \$25,784,000.

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

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. I would move that the Assembly now stand adjourned until 1:30 p.m. tomorrow.

[Motion carried; at 10:28 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]