

Legislative Assembly of Alberta

Title: **Monday, April 4, 2005**

8:00 p.m.

Date: 05/04/04

[Mr. Shariff in the chair]

The Acting Speaker: Please be seated.

head: **Motions Other than Government Motions**

Alberta Ingenuity Fund

503. Mr. Knight moved:

Be it resolved that the Legislative Assembly urge the government to consider the advisability of increasing the value of the Alberta ingenuity fund to \$1 billion over the 2006-07 and 2007-08 fiscal years.

[Debate adjourned March 21: Mr. Goudreau speaking]

The Acting Speaker: The hon. Member for Dunvegan-Central Peace? Okay.

Anybody else? The hon. Member for Vermilion-Lloydminster.

Mr. Snelgrove: Thank you, Mr. Speaker. I'm pleased to join the discussion surrounding Motion 503, increasing the value of the Alberta ingenuity fund.

Mr. Speaker, Benjamin Franklin once said: "If a man empties his purse into his head, no one can take it [away] from him. An investment in knowledge always pays the best interest." I believe this quotation to be true, and I also believe it applies very well to Alberta's current financial situation.

Alberta is in a good financial position at the moment with strong finances. However, with strong finances come continued requests for funding. Most governments would take this opportunity to spend, fund everyone that asks for money, support absolutely every initiative, but this should not be the nature of a conservative government. Conservatives should follow concepts like fiscal prudence, responsibility, and accountable spending. Although some spending is definitely needed and planned, we must be very careful in choosing where to spend. We have worked too hard in the past decade to blow our good fortune.

Mr. Speaker, adding \$500 million to the Alberta ingenuity fund is an example of fiscal prudence, it's an example of careful spending, and it is an example of responsible and accountable financial policy. This is especially true for a province that relies so heavily on its natural resources as a source of wealth. Doubling the size of the ingenuity fund doubles the advantage.

The first advantage to grow the ingenuity fund to \$1 billion is that we are essentially using energy revenues to do so. In essence, this gives our province some insurance when good times go bad. If we can no longer rely on our energy revenues and when times really get tough, we will have a billion dollars to have access to. Of course, this is not the full purpose of this fund, but at least this possibility exists for extreme situations.

The second advantage of using energy revenues to add \$500 million to the ingenuity fund is that the money raised by this fund can be invested in science, adding value to our resource base. Thus, the money comes full circle, from energy to science related to energy, and the best part is that we don't actually spend the money to do this.

A great example of how this money is used to add value to Alberta's resources is the scholar program. The purpose of this program is to create strong recruitment packages to help Alberta attract the world's best research leaders or emerging leaders. These

key people strengthen already outstanding research groups through ingenuity centres or build new research programs in strategic areas that benefit the Alberta economy.

For example, funding from the scholar program has recently attracted two research stars to the University of Calgary. Dr. Pedro Pereira Almaso from Venezuela and Dr. Steven Larter from the United Kingdom are working together as coleaders of the new Alberta Ingenuity Centre for In Situ Energy to study improved methods of recovering and upgrading bitumen resources.

Support from the scholar program was also instrumental in bringing three international scholars to the University of Alberta whose work will have a direct impact on Alberta industry. Dr. Steve Kuznicki was recruited as a top senior scientist to develop separation technology that may lead to a cleaner, more efficient oil sands industry. Dr. David Coltman was recruited to Canada from the United Kingdom to research how the development of natural resources impacts our environment, and additional support is expected to attract high-rated German researchers to research agricultural by-products.

In total, the scholar program supports five international scholars with a commitment of \$3.9 million. By doubling the size of the ingenuity fund, this number will also grow. Considering the potentially devastating impact of the Kyoto accord, the importance of these types of research cannot be overstated.

Mr. Speaker, by design the ingenuity fund is very safe. It operates at arm's length from the government, is governed by a board of trustees and headed by a president or CEO. These people work together along with the International Science and Engineering Advisory Council to make decisions as to where the interest from the endowment should go. All research applications are evaluated using a peer review system, and each application is assessed for quality by external experts and a review committee with representatives from Alberta and elsewhere. This is a rigorous process behind every application for funding under the ingenuity fund. It is prudent and responsible, and it produces excellent research and attracts the best people. This creates a snowball effect that benefits all of Alberta's postsecondary institutions, Alberta's economy, and the government. It's truly a win-win situation.

In addition to this, the endowment process is set up so that the fund creates maximum interest. The investment is managed by the investment management division of Alberta Finance. These are professionals whose job it is to ensure that the fund grows at an optimal rate. I am confident that this is a very safe use of the government's money.

The final procedural measure that has been put in place for the ingenuity fund is to ensure that the money is used properly and is accountable. Alberta Ingenuity reports to the public and the government of Alberta through the Minister of Innovation and Science. The fund has an annual report, that is submitted to the Legislative Assembly, and every three years a more comprehensive report is produced. Finally, an international board of review assesses the fund's operation every six years.

Mr. Speaker, as you can see by this process, those that receive funding through the ingenuity fund are the best of the best. They must undergo an impressive amount of scrutiny, and they must produce world-class results. With this type of system in place I cannot think of a more fiscally prudent, responsible place to invest. With these points in mind, I urge all of my colleagues to join me in supporting Motion 503.

Thank you.

The Acting Speaker: The hon. Member for Calgary-Varsity.

Mr. Chase: Thank you very much, Mr. Speaker. I speak in support of the concept of this fund, an ingenuity fund. For far too long Alberta has been dependent on our natural resources, as the hon. member across the way mentioned, and without diversification we're not going to grow.

I had the opportunity along with a number of members to attend the presentation of the Fort McMurray people, and it was a wonderful presentation. There were representatives from health care, from education, and, of course, from a number of the major tar sand oil producers.

One thing painfully obvious, though, is that the producers mentioned the fact they felt that there were at least another hundred years of refineable oil available in the tar sands. The forecasts that I have seen for natural gas, which is used as part of the process for extracting this oil, unfortunately seem to be at the potential of nine years, if that, for gas that's been discovered. Unless we through the ingenuity of this organization come up with alternative methods of extraction, we're going to run out of gas long before we can turn many more barrels of oil. Likewise, we need to be looking through the Ingenuity organization at cleaner ways of producing power.

Kyoto and the problems of Kyoto were mentioned in kind of a disparaging manner. Well, organizations that were represented today – for example, Shell and Suncor, to which I'll add BP Petroleum and Petro-Canada – have already reduced their emissions beyond the level that is required by Kyoto. So we already have technology to reduce CO₂ emissions. Where I would like to see this ingenuity fund come into play is coming up with technology that can deal with the cleaning of our coal.

Apparently, in Alberta we have 200, 300, 500 years of bituminous coal that we need to develop to a greater extent if we're going to continue to progress as a profitable province. This is a very cheap form of energy. The CO₂ that's produced is amongst the lowest amounts world-wide, and we need to tap this resource, but unless we have the knowledge and the ingenuity, which exists in the oil refining process, we're not going to go any further. We need to be using this coal-fired power as a future development for drawing out the oil from the tar sands. As I mentioned earlier, we can't just keep burning natural gas.

8:10

Of course, the other problem is where ingenuity is required. While all of these projects are proceeding in the Athabasca area, the accompanying natural gas projects have been shut down for fear that they would be taking pressure away from the necessary extraction. So we have to come up with some form of balance whereby we can use our cheap power, which is certainly not gas, use that cheap coal power to draw the oil out of the sands. We're gifted as a province that we have these resources, but if we don't have organizations such as would be funded by this ingenuity fund to create the new methodology for cleaner, more sustainable development, we're doomed to failure.

This ingenuity fund will hopefully be used to come up with support for health care development, new forms of techniques that will hopefully not only prolong life but prolong the quality of life. We need to be looking at new forms of education. We have to look at not strictly a technical education, *Brave New World* khaki workers, everybody up to Fort McMurray and the geological developments, but we have to look at visions for Alberta. That vision through the ingenuity fund will provide the education for the scholars, and it is that kind of investment that is absolutely necessary if Alberta is going to progress.

We have blessings, as has been pointed out by the hon. member, in the form of our natural resources, but we have harvested to such

a large extent resources such as our timber. We have this habit of sort of mowing down but not keeping up with the replanting. Hopefully, within this ingenuity fund we'll come up with a truly sustainable resource plan because the one we have right now is basically pillage and plunder and let's hope that the consequences don't catch up with us in the near future.

With the ingenuity fund increased to a billion dollars, we have the same sort of principle of investment that the Liberals proposed with the sustainability fund in the first place. As was pointed out by the hon. member opposite, this is money that comes from our current resource development, and it makes absolute investment sense to use this investment to triple our billion dollar initial layout, quadruple, quintuple, et cetera. This is seed money, and the farmer knows the value of seeding the ground and then reaping the crop that is produced. The ingenuity fund will provide this investment money, this seed money, and like the member across the way I am pleased to support the idea. Alberta needs diversification. Alberta needs to progress. We can't simply rerun the old once tried and true examples that no longer apply as we enter the 21st century.

Ingenuity: bring it on.

The Acting Speaker: The hon. Minister of Agriculture, Food and Rural Development.

Mr. Horner: Well, thank you, Mr. Speaker, and good evening. It's a pleasure to rise today and join debate on Motion 503, which urges the government to consider the advisability of increasing the value of the Alberta ingenuity fund to a billion dollars over the next three fiscal years.

The ingenuity of Albertans is the pillar of our province's success, Mr. Speaker. We rely on the inventive skills and imagination of Albertans to drive Alberta's economy, ensuring a prosperous and sustainable standard of living for all of our citizens in Alberta.

Mr. Speaker, a few weeks ago we heard His Honour the Lieutenant Governor speak about the past hundred years of innovation in Alberta. In his remarks he stated that back in 1905 Alberta was developing a telephone system. Well, in 2005 we see the completion of the SuperNet. When I say that the province's ingenuity is the pillar of Alberta's success, I am referring to examples such as these.

Mr. Speaker, that is a huge accomplishment in a mere 100 years. I'm proud to say that it is the inventive skill and imagination of every Albertan that allows our province to be a world leader in so many areas. I find it extremely important that the Alberta government continues to support and encourage the imagination and innovation of Albertans.

Just think, if we were able to come this far in 100 years, imagine what the next 100 years could bring and will bring if we stay the course and ensure that endowment funds such as the Alberta ingenuity fund continue to grow and continue to provide the necessary funding for current and future research projects. I'm happy that the government of Alberta has recognized this, and through Bill 1 they have committed to increasing the ingenuity fund by \$500 million to support basic and applied research in the province. The additional funding will double the size of the fund, building on its activities and accelerating innovation in the province.

That sounds familiar because it's exactly what Motion 503 is urging the government to do. It's good to see that everybody is on the same page on this one. What Motion 503 adds to the commitment made through Bill 1 to double the ingenuity fund is that it complements it by setting a reasonable timeline to accomplish this goal. Motion 503 urges the government to consider doubling the fund, a commitment made by the government through Bill 1, over the 2006-07 and 2007-08 fiscal years. I believe that's a very

reasonable timeline, especially if we consider what this type of research means for our province and all Albertans. Remember, telephones to SuperNet.

Not only is the ingenuity fund supported in current government legislation, but it's also part of Alberta's 20-year plan to unleash innovation in the province, as we heard in the 2004 budget, and I hope we'll hear about it again when the hon. Member for Drumheller-Stettler brings forward the 2005 budget. The Alberta government has said time and time again that the key to maintaining a strong and vibrant economy is the ability to create new opportunities by applying knowledge and technology. But as Albertans work to unleash their full potential, we must also manage our resources wisely for future generations. This is the commitment the province has made through the 20-year plan, to renew the government's commitment to investing in research and innovation that helps provide Albertans with a superior quality of life.

Mr. Speaker, this commitment can be seen every day through examples of continued research into alternate sources of energy, as the hon. member talked about, improving energy efficiencies and pursuing new emissions reduction technologies. In addition, we're seeing new and improved institutions that guide research and innovation as well as link, co-ordinate, and encourage cross-sector research and development in a number of Alberta industries such as information and communications technology, agriculture, environment, forestry, health, and bioenergy. Along with these initiatives we are seeing increased investment in the health research innovation centres in Edmonton and Calgary, the Alberta Heart Institute in Edmonton, the National Institute for Nanotechnology, as well as, as I mentioned before, the finalization of the Alberta SuperNet, which brings high-speed broadband service to Albertans across this province.

Motion 503 complements the past commitments made by the government of Alberta by putting a timeline on doubling the ingenuity fund to a billion dollars over the 2006-07 and 2007-08 fiscal years. I believe this to be a reasonable timeline and an initiative that this Assembly needs to support to ensure that Alberta remains a world leader and the best place to live, work, and play in North America, if not the world.

I encourage all members, Mr. Speaker, to support Motion 503. Thank you very much.

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

Mr. Backs: Thank you, Mr. Speaker. I rise in support as well on Motion 503, and I echo many of the statements of the previous speakers on this motion. This process of endowment funds is a wise and prudent use of our surplus in these times of great royalty surpluses and other things that are coming into the process to the government of Alberta and to the people of Alberta.

Perhaps it just doesn't go far enough. The Alberta Liberals worked hard on a surplus policy and spoke at length on it in the last election. The purpose of these things, I think – to look to the future, look to the children, look to developing our economy through the use of our scientific research – is just incredibly important. It has worked for many, many years in medical research. You know, the former Premier in the '70s worked hard at that I think and really established some great precedents, and it has paid off in spades for Alberta, for Albertans, and for Canada – for the world, for that matter.

8:20

The types of research that can be brought forward in this I think

are really important because they can help in developing the oil sands; they can help in developing the really new technologies in scrubbers in the coal and in the oil sands. You know, some of the stuff in Syncrude and Suncor and Albion Sands over the last decade have been remarkable improvements, and if some projects in terms of research can be brought forward to look at that even more, sequestration of carbon dioxide, we can probably even look to making money off of some of the environmental advances that are possible.

You know, we look to the children. My nephew won a science fair award for Canada for grade 8 on an agricultural project for his science fair. It was phosphorus indicators on BSE prions in a nanotechnology science fair project. That's grade 8. You look at our young Albertans coming up, looking to develop ways to deal with BSE, for example, to identify a cheaper test, an easier test through the use of phosphorus indicators with nanotechnology is incredible.

You know, some of these Alberta kids and some of the people that are brought in to look at these types of research I think can only advance our society and advance our economy and advance the way we do things, not only in the real boom areas like the oil sands but to revitalize agriculture, to look at all the other areas that have been mentioned by some of the previous speakers.

The R and D in Alberta has been low. We have not been coming up to the numbers for the rest of Canada and certainly not to many of the western nations for many years, and I think this can hope to begin to improve that. I again say that I am in support of this motion, and I look forward to it being passed.

Thank you, Mr. Speaker.

The Acting Speaker: I hesitate to interrupt the hon. Member for Edmonton-Manning, but under Standing Order 8(4), which provides for up to five minutes for the sponsor of a Motion Other than a Government Motion to close debate, I would invite the hon. Member for Grande Prairie-Smoky to close debate on Motion 503.

[Motion Other than Government Motion 503 carried]

Mr. Stevens: Mr. Speaker, at this time I would seek the unanimous consent of the House to revert to private members' business under private members' public bills, particularly second reading on Bill 203.

[Unanimous consent granted]

head: **Public Bills and Orders Other than
Government Bills and Orders
Second Reading**

**Bill 203
Report on Alberta's Legacy Act**

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

Ms Blakeman: Thank you very much. I'm very pleased to stand and move second reading of Bill 203, the Report on Alberta's Legacy Act, on behalf of my colleague, the Member for Edmonton-Gold Bar.

This proposal that is found in Bill 203 is an important part of the Official Opposition Liberal policy that we developed and, in fact, which had great response during the last election. A number of my new colleagues that have been able to join us in the Assembly I think would credit this policy with helping to get them into these seats.

In essence, what's being proposed here, Mr. Speaker, is that we would acknowledge that there was a particular policy of investment for any surplus, so the bill is creating a surplus investment policy. What we are setting forth in the bill is that of any surplus – and we identify what would be the surplus because, of course, we're taking out the \$2.5 billion that goes into the sustainability fund. That initial \$2.5 billion always goes off into the sustainability fund. Any monies after that would be allocated in the following manner: 35 per cent into the heritage fund . . .

The Acting Speaker: Hon. members, we are in Assembly right now. It's not committee stage. People should be seated in their own places, please.

Hon. Member for Edmonton-Centre, you may proceed.

Ms Blakeman: Thank you very much, Mr. Speaker. I was outlining the allocation of surplus funds, and it would be as follows: 35 per cent of any surplus would go into the heritage fund; 35 per cent into an endowment fund for postsecondary education; 25 per cent into a capital account for infrastructure; and 5 per cent into an endowment fund to support the humanities, social sciences, and the arts.

I'm just going to loop back a bit here, Mr. Speaker, and note that the idea of the 35 per cent into an endowment fund for postsecondary education I believe has been picked up by the government and, in fact, was a prominent part of Bill 1, the flagship bill from the government, for their access bill, which was all about a postsecondary endowment fund. So you have the allocation. We know that this appeals to the government at least in part because they've already taken part of what our suggestion would have been.

The second part of what we're looking at being proposed in this bill, Mr. Speaker, is that there would also be a report that's required by the Minister of Finance. At the end of each fiscal year, starting with this fiscal year, March 31, 2005, the bill would require that the Minister of Finance prepare a report on how the financial affairs of the government would have been affected if the surplus investment policy was implemented. It requires that this report that the minister does would be made public, and as you know, that kind of accountability and real transparency is a trademark of the Alberta Liberals, and something we feel very strongly about. We push the government to do the same thing on their side, and we're very happy to lead by example with what we're proposing, in fact, in this bill.

As part of making the bill public, we would require that the report be tabled in the Assembly at the first opportunity, and if the House is not sitting, that a copy would be tabled with the Clerk and a copy made available to each member, which is a process that's available as a way of doing a tabling when we are out of session.

We've also made a provision because the 5 per cent allocation for the endowment fund to support the humanities, social sciences, and the arts is a fairly small allocation, and we've allowed that when that fund exceeds \$500 million, then the minister would supplement any additional funds available by allocating back to the other three funds. We lay out a proposal for that there.

Finally, we put in the act that there would be an automatic review of the act at the end of five years from it coming into force. That review would also be submitted to the Legislative Assembly within a year of beginning the review. In other words, five years from now we begin a review process that within a year must be completed.

8:30

As I say, Mr. Speaker, I've outlined what's being proposed in the bill, and I think what's important about it is that certainly when I was out during the campaign talking to people door-to-door, people were really captured with the idea of a vision that moved beyond

today. Everyone recognizes that we have enormous revenues available to us right now and for the short distant future coming from our natural resources, and what they most wanted to know was: is something going to be done with this money that will have a lasting effect, that would affect my children or my grandchildren or even my great-grandchildren? They wanted to know that it was being planned in a way that we wouldn't just look up 20 years from now and go: "Whoops, what happened to it all? I don't know." They wanted to know that there was something specific that it was being directed towards.

People were really captured, really caught by the idea of allocating it to these various funds. Everybody liked the idea of the postsecondary endowment fund. I suspect that that's why the government has picked up on it and in fact introduced it in their own Bill 1. But they also liked the idea of investing in and expanding the heritage savings trust fund. The choices the government has made over an extended period of time now have not grown the heritage fund. In fact, it's about the same amount of money as it was in 1986 or something, so it hasn't even replenished itself. It hasn't even kept pace with inflation. People really wanted to see that happen; they wanted to see that fund grow. So they like the idea of setting aside a certain percentage of money that would go there.

Certainly, most people recognize the need for investment in infrastructure. I've heard the figure of an \$8 billion deficit in infrastructure repeatedly, and we need to work hard to pay off that deficit now. People were certainly willing to give the government credit for paying down that deficit that was owed by the province, but they also were recognizing that in doing so, other deficits were created. One of the big ones was an infrastructure deficit. They really welcomed the idea of directing a certain portion of any surplus towards addressing those problems that have been created.

Finally – and this is a particular interest of mine – we have a lot of interest and there is certainly a lot of encouragement from the government right now to invest and bring in other partners to enhance our postsecondary educational institutions. I always have a caution there because there's a worry that we end up basically having mortarboard factories, that we're producing little engineers and little nurses and they all come out like little widgets, rather than concentrating on a good education and the ability to think and research.

Thank you very much for the opportunity to speak in second reading to Bill 203.

The Acting Speaker: The hon. Member for Highwood.

Mr. Groeneveld: Thank you, Mr. Speaker. It is with great pleasure that I join the debate on Bill 203, Report on Alberta's Legacy Act. In reading this bill, I fail to find where and how it would benefit Albertans.

As members of this Assembly we have been entrusted with the solemn duty to represent our constituents' interests as well as the interests of all Albertans. I believe that each of us here is working in the interest of our constituents regardless of what side of the Chamber we sit on. Often there are disagreements about how to best serve this province and what course of action will offer Albertans the greatest benefit, but I believe that we are all working towards the same goal. This goal of working for Albertans has been evident in almost all of the legislation that I have seen in this Chamber, even those which I don't agree with. I'm sad to say that this has come to an end with Bill 203. Mr. Speaker, Albertans will realize absolutely no benefit from passing Bill 203. None.

This bill asks the government to prepare a yearly report on what might happen if the government directed a possible surplus in a

specific way. This bill is so fraught with errors that I hardly know where to begin. The bill asks the Legislative Assembly to approve the perpetual funding of research into an Alberta Liberal election platform. Perhaps next the Member for Edmonton-Gold Bar will put a bill before the Assembly asking the government how the Alberta party can pay off their debt.

The Member for Edmonton-Gold Bar is requesting that Alberta taxpayers pay to research an idea the opposition was trying to convince Albertans to accept not five months ago as being viable for the future of this province. I find this exceptionally suspect. First, asking taxpayers to pay for a campaign tool calls into question the ethical implications of this bill. Secondly, putting forward this bill essentially states that the Liberals have no idea what effect this policy would have on our province had they actually formed the government. I guess this shows that the members over here feel that touting some plan, any plan, is fine even if you don't know the consequences. Plans such as these would endow Albertans with quite a legacy. Quite a legacy indeed, Mr. Speaker.

Mr. Speaker, all questions of intent aside, I have a great many concerns about the content of the Report on Alberta's Legacy Act. Firstly, I am uncertain of what, if any, benefit would be realized by creating a report on something that the government is not currently engaged in or looking to as a possibility. It would seem that this report would be superfluous, especially in the face of the numerous budget documents that the government currently publishes. The budget, quarterly updates, and the annual report all give to Albertans a detailed accounting of the government's expenses and clearly outline the government's spending priorities.

Discounting the fact that creating a report of this nature would not benefit Albertans, I will briefly discuss the investment plan around which the report would centre. This act is focused on the use of Alberta's budget surpluses, and I would like to begin my comments here. At the risk of sounding redundant, I feel that it is necessary to point out that unbudgeted surpluses are exactly that: unbudgeted. They constitute unpredicted and largely unpredictable excess revenue coming into our provincial coffers. The majority of revenue streams on which a government traditionally draws are largely predictable. Corporate and personal income tax revenue, investment revenue, and most other revenue streams can be predicted. However, natural resource revenue is volatile and generally difficult to predict.

The budget surpluses that Alberta has enjoyed in the recent past are directly related to energy prices. Past experiences have proven these prices to be exceptionally volatile, and they tend not to be sustainable for long periods of time. So while we have recently had the good fortune to enjoy surpluses, they cannot be predicted with any degree of certainty into the future, and to suggest that they could would be certainly foolhardy. What would be even more foolhardy would be to entrust the realization of Alberta's priorities to budget surpluses. Yet this is what Bill 203 appears to do.

This bill would dedicate surpluses to the heritage fund, two funds dedicated to postsecondary education, and the capital account. These are concerns that have been raised by Albertans, and consequently they are being addressed by the provincial government. Mr. Speaker, postsecondary education has been identified by Albertans as being one of their top priorities. Alberta's future strength as a member of the dominion as well as a member of the international community is dependent upon the diversification of our economy. We can use our current and historical strengths in primary industries to build secondary and tertiary industries here at home.

Alberta's postsecondary education system is good, but there's always room for improvement. The provincial government has responded to this by bringing forward fiscally prudent and finan-

cially viable strategies to ensure that Alberta students will never be at a loss for postsecondary education due to spaces or financial circumstances. The creation of a fund dedicated to postsecondary learning, increasing the value of the Alberta heritage scholarship endowment fund, and increasing the value of the Alberta ingenuity fund exemplify the government's continued commitment to postsecondary learning in our province.

8:40

It is important to note that these initiatives are not dependent on the posting of a budget surplus to be achieved. The government is not gambling the future of Alberta's postsecondary institutions on \$57 a barrel oil and equally high natural gas prices. Bill 203 has all the appearances of doing just that. Albertans have said that provincial infrastructure is an issue which needs to be addressed. The government has responded by committing an initial \$3 billion to municipalities to assist in relieving pressure on their infrastructure system. Again, this measure is not dependent upon a budget surplus to ensure that this happens.

Mr. Speaker, a provincial budget surplus due to higher than predicted energy levels is a great thing. It indicates that Alberta's economy is on track and that Albertans are in a position to benefit from resource revenues. However, a budget surplus is not something to build future spending upon; nor is it something that can be depended upon. Albertans learned this lesson 20 years ago, and we are quite unlikely to forget it.

Mr. Speaker, passing Bill 203 would enact a law that would require a report on something that may or may not exist five to 10 years from now. That would be quite the report to have tabled in the Legislature. I can see the title now: Report on Budget Surplus that Does Not Exist.

Because of these few reasons that I have outlined as well as other reservations, I will vote against Bill 203. It is a law that will not realize benefit for Albertans and therefore serves no real purpose.

Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Calgary-Varsity, followed by the hon. Member for Battle River-Wainwright.

Mr. Chase: Thank you very much, Mr. Speaker. Another name for this act could be: A Future Formula. The hon. member who spoke before me suggested that surpluses in the future were not a guaranteed circumstance. Yet tonight we've been talking about vision, we've been talking about ingenuity, and we've been talking about renewal. I mentioned earlier on the notion that we heard from the members of Suncor, Shell, and a number of the plants that are working up in the tar sands, that they estimate that there are billions of barrels and therefore multibillions of dollars discovered, waiting to be extracted, and this is what our act is looking at.

In terms of value for money, this government over the last 12 years in royalties alone, oil and gas royalties, earned \$69 billion. Is there some sense that this government is going to stop managing the affairs of this province to the point where these record surpluses will no longer be there? That's what the member has suggested, that all of a sudden these surpluses are going to dry up and that we can't count on them.

What the Alberta Liberal Party is doing, rather than looking back, is looking forward. We're looking at the basis of research that has been provided by a variety of oil exploration companies, by a variety of natural gas companies. They've indicated to us that we're not at the end of the boom; we're basically at the middle or the beginning of it. If we can sustain the types of exploration and extraction, keeping in mind doing it in a safe, environmental manner, then basically the sky is the limit.

Premier Lougheed created the heritage trust fund. That was a vision. We're building upon Premier Lougheed's vision, and we're saying: let's take that vision, but let's not only build the heritage trust fund, which we would do by the expenditure of 35 per cent of future surpluses. We would also deal with the problem that, unfortunately, the government has failed to deal with, and that is the growing infrastructure problem. Three billion dollars over five years is not going to even deal with past projects, never mind keeping up with present and future projects. We need a guaranteed revenue source beyond just the general revenue. We can't keep upping health care taxes indefinitely. The government in its wisdom forgave seniors having to pay premiums, but we have to now come up with some other way of supplementing that income, and it's through ingenuity and through vision that we'll do this.

The idea that this is not a visionary move, that it's questionable, that we don't have the facts and figures: there's a reality. With the exception of one postsecondary constituency in the southern part of this province, every other postsecondary constituency obviously bought into the idea of a legacy fund.

I, for example, represent the constituency of Calgary-Varsity, in which stands the University of Calgary. The hon. Member for Calgary-Currie represents Mount Royal College, which we hope will soon receive university status with funding based on our legacy fund. We have another representative from Calgary-Mountain View, who represents the Southern Alberta Institute of Technology and the arts college. Of course, Edmonton-Centre: Grant MacEwan College, Alberta College, NorQuest. We have our hon. leader representing the constituency of the University of Alberta and on and on and on. Each of the postsecondary institutions, at least seven out of the eight, are represented by an alternative viewpoint, which obviously sold in this past election or we wouldn't be here.

This formula for the future spells out the answer to a number of problems that have been created by this government. First off, it deals with postsecondary. It offers 35 per cent. It doesn't offer it as a one-time. It doesn't offer it as a "Here's your \$3 billion." It doesn't say, "We'll temporarily freeze tuition for the fall of 2005, but, you know, we're going to review it." What it offers is in perpetuity, into infinity. As long as we manage our resources and provide a continual royalty stream, then we can rebuild the institutions.

That's where the vision is lacking. We've talked about \$3 billion. The government has talked about \$3 billion for infrastructure over five years. The government has talked about \$3 billion in terms of postsecondary. But these are one-shots. These aren't into perpetuity. They're not into the future. They do not address infrastructure.

In fact, the three of us from Calgary had a meeting this past Friday with representatives from the Southern Alberta Institute of Technology. They talked about their infrastructure problems. We've had similar meetings with the University of Calgary. We've had meetings with Mount Royal. We had meetings with – I'm trying to think of the name of the institution that provides postsecondary training – Bow Valley College. Excuse me for temporarily forgetting that name. But these various organizations have come up with unique ideas of joint shared responsibility where all campuses could come together in a downtown version where Bow Valley College, the U of C, Mount Royal, SAIT, the College of Art could all be sharing space in a very novel approach. That requires funding. That requires vision. So we have provided that vision with the 35 per cent we've suggested for postsecondary.

Infrastructure, the area that I'm the critic for. It has been brought out numerous times that it's an \$8 billion deficit. Well, I would suggest that that deficit is closer to the \$10 billion surplus that we're projected to receive this year. Unless we start dealing with the past problems, if we don't deal with the operating grants of the colleges,

if we don't fix the decaying infrastructure that they're currently experiencing, we can't move ahead to the future.

8:50

That is why as a Liberal party in the election when we went door to door, we suggested that there be 25 per cent of future surpluses set aside for infrastructure because we recognize that it's basically been abandoned for the last 12 years. The beauty of setting aside 25 per cent, which when you look at it in terms of these dollars that were existing, would be in the area of \$2,500,000,000 of this projected surplus that we're talking about for this fiscal year. Can you imagine what we could do in terms of repair? In fact, \$2,500,000,000 in a single year would be almost the equivalent of what our honoured members are proposing for a three- to five-year plan. Three billion over five years. Here, in a single year we could accomplish that.

That's the type of vision we need to be looking at, a vision that takes us into the future by first dealing with the past. Repair the mistakes, repair the neglect, build the various areas back to the state that they were prior to us dumping all our money into paying off the deficit and the debt. These are great, lofty ideas. We've had billions of dollars, but we're now still setting aside money to pay it off eight years from now based on the slow process of paying it off.

One of the biggest areas – this is another area of concern for me personally because I'm also the critic for parks and protected areas. I give credit to the idea that they're talking about a \$42 million investment in tourism. That's a great idea, but what happens when they get here? What happens when they drive out into the wilderness, and they see the deteriorated condition of our parks and protected areas?

The Acting Speaker: The hon. Member for Battle River-Wainwright, followed by the hon. Member for Edmonton-Calder.

Mr. Griffiths: Thank you, Mr. Speaker. I appreciate the opportunity to join debate on Bill 203, the Report on Alberta's Legacy Act. Since becoming MLA for the constituency of Battle River-Wainwright in 2002, I've read and spoken to many pieces of legislation, including numerous private members' bills and motions. There have been plenty of good and timely pieces of legislation that generally addressed important issues affecting Albertans. Many helped raise awareness or potential concerns. Others served to improve how this province is run and managed.

On the other hand, Mr. Speaker, there have also been some not so timely or helpful pieces of legislation that not only didn't help address any issues or needs in particular but, in my humble opinion, wasted the time and the resources of this Legislature, time and resources which could have been devoted to other, more important issues such as rural development.

Having said this, I do not want to point fingers at any particular side of this House, Mr. Speaker. We've all been guilty of this. However, I am a firm believer that we as representatives of the people of this province should bring forward and pass laws that make a real difference to Albertans so that when the legislative session wraps up, we can be proud not of the number of laws we passed but, rather, the quality of laws enacted.

In my view, Mr. Speaker, Bill 203 falls in the category of bad private member's legislation. It is not the most efficient use of our time and resources. I say this because not only does Bill 203 deal with fiction, but worst of all it deals with bad fiction. The entire Liberal bill calls for a coulda, woulda, shoulda report. This should be called the Liberal Hindsight Report: Governing out of Your Rear-view Mirror.

We already have a report that tells how our financial decisions impact this province. It's a very good report, Mr. Speaker, one that is thoroughly informative and, most importantly, based on a true story. It's called the government of Alberta annual report, and I invite my colleague from Edmonton-Gold Bar and the members of this House to give it a read. It reflects the favourable fiscal situation Alberta currently finds itself in, i.e. the best place in Canada to live, and it is indicative of what our province has been able to accomplish through responsible fiscal policies and careful use of taxpayers' dollars.

The report also is a reflection of the fact that this government does not deal with fictitious situations and what-ifs. It's a reflection of the fact that the government's role is to govern and govern effectively by making sound fiscal decisions. Wasting time pontificating on what might have been is not a Conservative practice. Should we adopt this bill and pontificate about the choices this member would like to see made? Perhaps we should do several reports evaluating multiple scenarios. Perhaps we could have 83 different reports. Where would it stop, Mr. Speaker? And what would be the benefit to Albertans?

Mr. Speaker, the government needs to make the best decision possible with the information available and not constantly second-guess and pontificate to the point of becoming Mr. Dithers. That's the Liberal thing to do, not the Conservative way. The opposition can govern by hindsight saying, "We would have done it differently," but that's always looking back. That's always hindsight. To be honest, we know one thing for sure: even without this bill the Liberals would have spent, spent, and spent some more regardless of the revenues.

Albertans expect the government to be responsible and sensible with the funds they endow us, and it is in turn the responsibility of the government to give back to Albertans as much as possible through promotion of our economy, job creation, effective public services, and lower taxes. I know this is completely foreign to the Liberal agenda, but wouldn't it be logical to perhaps use portions of future surpluses to relieve the tax burden upon Alberta's families? After all, the whole concept of a surplus, Mr. Speaker, is that we took more than we needed. With the debt paid off, this is an opportune time to give back to Albertans what is rightly theirs.

Having said this, we on this side of the House and our Conservative colleagues across the way believe that the best place for Albertans' hard-earned money is in their own pockets because it is them and not us who ultimately make the best decisions as to where this money should be spent. Consequently, I believe that in times when we have large surpluses, the government should take it upon itself to consider taking a portion of the surplus and devoting it toward some type of tax relief. This is almost necessary as the federal Liberals tax us and all Canadians because they can only spend, spend, and spend some more regardless of revenues.

I agree that we have to continue to support and invest in our education system, maintain and expand our infrastructure, and contribute more investment dollars to the heritage savings trust fund, and we're doing it. We don't need another report to tell us what will happen.

As I mentioned earlier, Mr. Speaker, we have a report that tells us what happened over the past years as a result of our prudent fiscal policies. As a matter of fact, this year we have made a final move on our debt and eliminated one of the major fiscal liabilities that has been hanging over the heads of Albertans for decades. We will establish the access to the future fund, which will help us invest into our higher learning system and ease the cost burden on our students. As was mentioned in the Speech from the Throne, the government will strive to create 60,000 new postsecondary spaces by the year 2020, 15,000 of which will be created over the next three years.

From the investment side, we will inflation-proof the heritage savings trust fund, which will grow the account over time and provide us further investment income to fund priorities including health care, education, infrastructure. Despite what federal or provincial Liberals in this country want to do, Mr. Speaker, we'll provide opportunity for us to allow tax relief to Albertans.

From the infrastructure side, the government has transferred \$1.1 billion into the capital account from the sustainability fund and is working with our municipal partners to alleviate the municipal infrastructure debt by providing a further \$3 billion directly to municipalities, Mr. Speaker.

We will also be further supporting our postsecondary education system by investing in humanities, social sciences, and arts through the proposed access to the future fund, which will generate an estimated income of \$135 million a year, every year, to advance postsecondary education opportunities in Alberta including those in humanities, social sciences, and arts. As well, Mr. Speaker, the government will create the Lois Hole humanities and social sciences scholarship program, which beginning in the next academic year will provide some Albertans with a \$5,000 scholarship toward his or her postsecondary studies.

As you can clearly see, contrary to what the Liberal opposition would have Albertans believe, we are investing intelligently and responsibly in Alberta's priority areas. Indeed, Mr. Speaker, for the last 30 years Albertans have trusted the PC government to manage the public money wisely and responsibly. I suggest the Liberal opposition write their own fictional Liberal report outlining could have, should have, and would have. Might I even suggest a title: What Ifs and What Nots, Liberal Ideas in the Absence of Reality.

For reasons I have outlined in my remarks, Bill 203 is a reflection of bad legislation, one that is redundant and out of touch with reality in almost every way, Mr. Speaker. With this in mind, I cannot support Bill 203, and I urge all sensible members of this House to join me in doing the same.

Thank you.

The Acting Speaker: The hon. Member for Edmonton-Calder, followed by the hon. Member for Lacombe-Ponoka.

Mr. Eggen: Thank you, Mr. Speaker. I appreciate the opportunity to say a few words on Bill 203 here this evening. It's a little bit confusing, I think, for us over here on the ND side because, of course, between Bill 1 and Bill 203, while there seems to be a great gap, a chasm of differences here as outlined by the previous members, in fact as far as we're concerned, both Bill 203 and Bill 1 are more similar than dissimilar. May I remind the Member for Battle River-Wainwright where, in fact, these monies do come from.

The Acting Speaker: I hesitate to interrupt the hon. Member for Edmonton-Calder, but the time limit for consideration of this item of business has concluded.

head: 9:00 **Government Bills and Orders**
Second Reading

Bill 11
Stettler Regional Water Authorization Act

The Acting Speaker: The hon. Member for Cypress-Medicine Hat.

Mr. Mitzel: Thank you, Mr. Speaker. It is my pleasure today to move second reading of Bill 11, the Stettler Regional Water Authorization Act.

Albertans are becoming increasingly aware of the value of a safe, secure water supply. For many communities across the province,

particularly in southern and central Alberta, water is blue gold. Specifically, Mr. Speaker, nine communities in the county of Stettler are facing serious potential drinking water shortages because of drought and increased growth. The Stettler Regional Water Authorization Act will allow Alberta Environment to issue a water licence to transfer treated drinking water from the town of Stettler to these communities. This will ensure that approximately 6,000 Albertans living in the communities of Donalda, Big Valley, Rochon Sands, White Sands, Byemoor, Endiang, Erskine, Nevis, and Red Willow will have access to the safe, secure water supplies they need to survive and to thrive.

Because some of these communities are in the Battle River basin, which is located in the North Saskatchewan River basin, Mr. Speaker, and the town of Stettler's water source is the Red Deer River basin, which is located in the South Saskatchewan River basin, this special act of the Legislature is required. The transferred water will be treated drinking water, not raw water, so there will be little risk of interbasin transfer of biological organisms.

Public consultations conducted throughout the region by the Stettler regional water services committee show support for this proposal. Mr. Speaker, this government is committed to ensuring safe, secure drinking water supplies for all Albertans. It is the key goal of Water for Life, which is North America's most comprehensive water strategy.

In conclusion, Mr. Speaker, let me remind this House that secure water leads to healthy local economies. Sustainable water leads to people and business choosing to invest in the local community. This bill will ensure a safe, secure water supply for approximately 6,000 Albertans across nine communities in central Alberta. I'm pleased to have support from the hon. Member for Drumheller-Stettler for this bill.

Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Calgary-Mountain View.

Dr. Swann: Thank you very much, Mr. Speaker. I'm pleased to stand in discussion of the second reading of Bill 11, Stettler Regional Water Authorization Act. The bill authorizes the transfer of water between the South Saskatchewan River basin and the North Saskatchewan River basin as has been indicated. This is due to the fact that the Stettler region has been experiencing problems with quantity and quality of water from their existing potable water supplies, and the licence is for a transfer.

We must recognize, however, and we have in a number of places in our policy recognized, the danger in the precedent and, in this case, the repeat of this kind of a transfer between basins. Such decisions especially have to be made with caution due to some environmental issues, health issues, and clearly the questions around sustainability of this kind of a practice. Is this a one-time intervention, or is it a preamble to permanent interbasin transfers? Is there any reason to think that the kinds of water conditions that we've experienced in the last few years in the presence of climate change are going to improve? How are communities going to maintain themselves in the absence of this until and unless we as government and members address what is a sustainable water supply in a particular area?

I alluded to the fact that this was a repeat. In 2002 the government passed Bill 33, the North Red Deer Water Authorization Act, which was exactly the same and had a greater volume of water, in fact, transferred to some different communities.

I have some questions about it. How will the water be used? Alberta Environment is the provincial department responsible for

water resources and under the Water Act governs the allocation and management of water and requires individuals, corporations, and municipalities to apply for a licence that authorizes the diversion or use of a specific amount of water, surface or groundwater. Under each licence a set amount of water is allocated, which represents the maximum amount of water that can be used or diverted. All allocations and licences remain under the authorization of the province.

Alberta Environment evaluates the water licence application based on the potential impact of a new licence on the needs of the environment, the amount of water that needs to remain in the watershed, the amount of water required to meet the apportionment agreements, and the amount of water being used by existing water users. There are already areas in the province where maximum allowable allocations and even above-maximum allocations have been reached. As Alberta grows and water demand rises, this evaluation process becomes absolutely critical that we get it right.

The Alberta Liberal opposition in general is opposed to interbasin transfers. The rationale is that they are potentially environmentally damaging, and they are extremely expensive. In general, major water diversions and storage projects significantly compromise aquatic and other ecosystems. They're not an acceptable alternative to sound conservation practices. They are, indeed, a crisis management and a challenge to all of us to learn and to plan to live within the limits of our resources in a sustainable fashion.

In addressing supply issues, interbasin transfers are unacceptable as an alternative to conservation and planning, and the use of interbasin transfers as a management tool is contrary to the government's own Water for Life strategy, based on the goal of watershed level management. Any need for interbasin transfers indicates a failure of water management planning.

We cannot plan for every crisis, but repeat requests must raise serious questions about our capacity to manage. Here are some of the questions. Does the new transfer affect the rights of existing licensees? What is the impact of the transfer on aquatic and riparian ecosystems? What is the possibility that it may lead to nonnative species entering watercourses with possible negative impacts on the new water system, recreational and commercial fishing, and other ecosystem health?

Planning requires adequate data. This is another area that we need to address. There is a lack of adequate data in Alberta Environment to determine how much water is actually being used. There are records kept on how much water is allocated, but it's not clear how much is actually used, and it's impossible to create a water conservation plan without an inventory of what's there and how much we actually use, both surface and groundwater. This is absolutely vital to move forward in a sustainable way.

Another concern is the commodification of water under these licences. This bill, which allows an interbasin transfer between the North and South Saskatchewan river basins, could force Canada to export water under the NAFTA bills that authorize the transfer of water between major river systems even within Alberta, and this could open up the trade agreements to water exports and access by trade agreement partner countries to Alberta water. I don't know about that as a reality, but I need to be reassured that this is not the case. The transfer of water in its natural state can be seen to make water into a product much the same as oil and gas and allow it to be subject to international trade agreements and commercialization.

The objection, then, that needs to be raised must address the failure of the province to implement a watershed level management strategy that would be sustainable into the long-term future. We must move forward on the water strategy, and there needs to be more investment in this in our view.

Having given those provisos, it seems clear that for humanitarianism and the case of sustaining these communities, we may have little choice this time, but I did feel the need to register serious objections to this being a repeat of a previous problem that has apparently not resulted in the kind of changes that we would like to see for a sustainable water management plan.

Thank you, Mr. Speaker.

9:10

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

Ms Blakeman: Thanks very much, Mr. Speaker. Thanks to my colleague for Calgary-Mountain View for laying out the concerns that he has as the Official Opposition environment critic around this bill. I note his caution at the end.

Boy, I'm really uneasy about this bill, Mr. Speaker. I have to admit this. It's one of those awful catch-22 situations. I mean, I know that we are talking about water for citizens of Alberta who need it because their own water system is no longer potable or is not reliable. But on the other hand, you start fooling around with Mother Nature, and she's going to get you. When you start talking about interbasin water transfers, that's what we're doing. We're fooling around here. To continue my analogy, if Mother Nature was going to effect these kinds of interbasin transfers, it would have happened over a very long period of time and quite possibly not connecting these two water basins.

The Member for Calgary-Mountain View, you know, talks about the possibility of nonnative aquatic species entering different watercourses and the effects that can have. In fact, we know from infestations that have happened in other parts of the world what starts to happen. We had that whole thing with the zebra mussels in the Great Lakes and enormous environmental and economic repercussions as a result of that. So this is a very, very difficult situation, and I honestly couldn't tell you right now if I was going to vote to support this bill or not.

I'm really concerned that I don't see an overarching plan coming from the government that really integrates the rural strategy, or whatever they're calling it, their rural enhancement, the rural pep-it-up strategy. I don't see it being integrated with an economic strategy, with an environmental strategy. I see all of these things operating separate from one another, and I think that is very dangerous for us, and I think that results in the situation we get here.

This is now the second time that there's been an interbasin water transfer requested of this Assembly. I know that I spoke to this last time with the same kind of reservations, and I think that in the end I ended up voting against it because I was concerned that this is what would happen, that we would end up with a second and maybe a third and maybe a fourth request coming through to here. We cannot go forward like this.

It is not giving us any kind of a conservation strategy, and I think we really have to question – this is the difficult part, Mr. Speaker. I'm going to put the question out there anyway because I think we have to think about it. I don't want to go to any community – and I don't even know these communities, to be honest with you – and say: you don't deserve to exist. I don't think that's the question, but I do think we have to say: if we have them situated in a place where the land itself will not support them, should we be making extraordinary efforts to now change that very land, that very water system, aquatic system, water table system in order to keep those people in that place? Maybe that isn't a great place to have people living. Maybe there are other better uses for it that wouldn't involve fooling around with Mother Nature so much.

I don't see those kinds of questions being asked and answered here, and it may well be that there is no answer, Mr. Speaker. You

can tell that I'm struggling over this. Maybe there is no answer to this, but I'm really concerned when I just see: "Well, we'll do it again. We did it before; we'll just do the same thing again." I've seen nothing else happen in the interim.

I'm sorry; that's not quite true. In fact, the Water for Life policy was introduced between the last time we talked about an interbasin water transfer for Red Deer and what we're looking at today. That Water for Life, I would have said, as I understood it when I read it – and I did read it – that it would have precluded this. So I'm not understanding how we could have that Water for Life policy brought in and then have another request for an interbasin water transfer because that Water for Life was talking about managing for the long term. It was talking about managing for ecology.

To be honest, Mr. Speaker, we don't even know how much water we have. We know how much is above ground. We don't know how much water is below ground, yet we are embarking and we're taking another step here, saying, "Okay, we'll move waterways around and access to water around in this province," which is what's being contemplated here, when we still don't know how much water we've got. We're not going back and saying: is this appropriate?

Let me give you another example of what I'm talking about. We keep making choices to plant grass, not even particularly prairie wild grass, definitely not prairie wild grass. In some cases we still plant Kentucky bluegrass in our boulevards and along the side of our freeways. And what does that mean? Well, that kind of grass requires a lot of water. So now we've got to water the dang stuff, and we've got to cut it, and it costs our municipalities money to control that now. Why do we keep planting species of grass that requires water to keep it going when the natural water that falls isn't enough to keep it in good shape?

There are choices like that that we're making that I have to really question and say: Why do we keep doing this stuff just because we did it before? Maybe we should be looking at some other kind of groundcover that doesn't require a gas-powered lawnmower and the staff to run over it once a week to cut it down. Then we've got to have watering trucks come out and water it if it doesn't get enough natural rainfall. That's just bad planning, in my opinion, and it's certainly not conservation.

So I'm really torn with what's being proposed here because I don't see any improvement, and I don't even see the government following its own Water for Life management strategy in bringing forward this proposal. I see it responding to the requests, I'm sure the heartfelt dire requests, of these towns and villages to get them potable water so they can keep living where they're living. But I don't see it coming with it in this bill. I mean, let's face it, Mr. Speaker; the bill is one page and two sentences. So I don't see coming in this bill anything else that's talking about a larger strategy. I don't see anything that is addressing any other kind of water conservation to reduce the amount of water that would be required.

If we're going to take it as a given that the government's decision is, "We will bring water to these locations; we will provide that water to them," I would have thought that along with that would go, "Okay, and while we're doing that, we're going to have a conservation plan in place so that less water will be required." Could there be initiatives for the kind of plants that were there so that they didn't require additional water or a requirement to collect rainwater or grey water to wash people's cars and water the plants in their front yard?

9:20

There's no attempt at recognition that water is a finite source. It is a finite source, and we're doing nothing to try and conserve our usage of it or to cut it down in any way, shape, or form. We just go: "Oh, gee, you're out of water. Let us get you some more from

somewhere else.” Well, what do you do when somewhere else starts to run out of water? Then are we going to have another bill back here saying: okay, we’re now going to move water from place A to place B to place C? When does it end? There’s no other policy that’s being talked about in conjunction with all of this that starts to move this in the other direction.

I think we do need to have the discussion about, you know: do we want to continue with a rural strategy that says that even if you’re living in a place that the land doesn’t support anymore, we’ll now bring everything to you to continue to allow you to live there? Would those people have a better quality of life if they had incentives to move somewhere else that didn’t require that kind of extraordinary support? I don’t see that being discussed. I just see a mentality here of, “Well, we did it before, so we’ll do it again,” that I think is wrong, and I think it’s dangerous.

So I’ll be listening intently to the other speakers on this bill to see if I can find any reassurance for myself from the other speakers on the government’s side that this request is part of a larger cohesive strategy that brings together environmental conservation concerns, the Water for Life management strategy, the rural strategy, and some of the other things that I’ve talked about here. If I don’t hear that kind of thing, I’m going to find it difficult to vote in support of this bill because I just don’t see the government doing the job they’re supposed to be doing. But at the same time I’m really aware that this is, you know, a legitimate need from the people that live there and is really going to affect them, and I feel for them. I don’t want to cut them off unnecessarily, but I don’t see anything else happening that would stop this situation from being recreated.

So I’m looking forward to hearing the rest of the speakers on this bill. Thank you.

The Acting Speaker: Standing Order 29(2)(a) kicks in. Any questions or comments? The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes. Mr. Speaker, I have a question for the hon. Member for Edmonton-Centre. I listened with a great deal of interest to her concerns in regard to this bill. I certainly didn’t hear it from the other side of the House, so perhaps you can help me, hon. member. Will this bill, which is similar to the one that we discussed here two years ago, the North Red Deer Water Authorization Act, force Canada at some time to export potable water to the United States? Do you have any concerns about that?

Ms Blakeman: Yes. Good question. It’s a good question, and it’s one that should also be considered as part of the mix that I was talking about there because that is a concern, that as soon as you sell water ever, it’s already in NAFTA that then everybody gets to sell water. So what we have to be very careful about here is that we don’t accidentally or deliberately stumble into putting a price tag on any of this.

Where that gets close for us is metering. Metering is part of the conservation effort, but metering is about saying that you need to know how much water you’re using so that you can use less of it and that we have some kind of a benchmark and a measurement of it, not that we would then use the metering to charge people for water. Right now what we do with metering is charge people to get water to them. It’s for the transportation or the distribution, but it’s not for the actual water.

We have to be very, very careful about that. We always forget, but that was prenegotiated in NAFTA. It’s quite clear that as soon as anybody sells water – it’s why everybody gets so nervous when in Newfoundland, another big island close to where Edmonton-Gold Bar came from, they start talking about dragging the icebergs and melting them and selling that. Same problem. As soon as they do

that, it opens it up for everybody else in Canada. So everyone sits there holding their breath, waiting for that one to pass by again and hope that nobody actually does it. But it’s a serious concern because we would all be affected by it.

I’m sorry, Mr. Speaker. Thank you for the opportunity to address that.

The Acting Speaker: Any other questions or comments?

There being none, the chair recognizes the hon. Member for Lacombe-Ponoka, followed by the hon. Member for Calgary-Varsity.

Mr. Prins: Thank you, Mr. Speaker. Earlier on I had not intended to stand up and talk about this bill, but I feel that I must say a few things. I’m from Lacombe-Ponoka, and we’re just going through the process of building a waterline from Red Deer to Blackfalds to Lacombe to Ponoka and possibly to the First Nations at Hobbema. Many of these questions that are being asked by the members on the Liberal side here have been asked and dealt with on the waterline that we’re building from Red Deer north.

Some of the questions about the transfer of organisms and biological organisms from one basin to another have been answered. The water is being treated twice. First of all, when the water is used, it is treated in Red Deer for Lacombe, and I think in Stettler it will also be treated. So the water that is being distributed to different households and consumers will be treated. It’ll be filtered, and it’ll be chlorinated or treated so that there will be no organisms in it. Once the water has been used, it goes back into a waste-water treatment facility. It’ll be treated again before it’s released into the other basin. So there’s absolutely no possible way that any biological organisms can travel from one basin to the other unless there is some kind of a breakdown in the system, and that probably won’t happen because it goes through your tap first or your waste-water system first. So that is not a problem.

The concern about the use of water, the amount of water that’s in the river and that’s actually available for use, has been dealt with. The hon. members of the Liberal Party are concerned that there’s not enough water in the river. In fact, we have a strategy in Alberta where we have storage dams. We store water on the Red Deer River in the Dickson dam. This stores water from the spring runoff and holds it there for the entire season. This water then is being used for the city of Red Deer, other towns and villages both north and south. There’s the Anthony Henday pipeline, I think, that goes south to Olds and some towns south. This has been in use for many years. The water storage looks after Red Deer, and it looks after all the petrochemical plants in Joffre and Prentiss in the Lacombe county. So there’s plenty of water there.

Under the agreements that we have interprovincially half of the water that’s in all of our rivers that go across the border must go to Saskatchewan. So the Red Deer River, half of that water must go to Saskatchewan. I think at this point about half of the remaining water is allocated to the municipalities that already use it and some agriculture users. Of the balance that’s not allocated, I think the Red Deer north system uses about 1 per cent of the flow of the river. So there’s an adequate amount of water there. The Stettler system is actually less than 1 per cent, is less than the amount that’s going to the Lacombe/Ponoka system. So I believe there is enough water.

This has been studied extensively. There are many, many years of records that are available that show that the water is adequate and there is plenty of flow even in the lowest times. I can just tell you from the experience of the town of Lacombe that they are currently using about a billion litres of water per year. This is not an unusually high amount of water per person. It’s about 220 million gallons

for 10,000 people, and the aquifers that the town currently draws water from can handle about 7,800 people.

So what happens if you have natural growth and natural development in an area? Lacombe is more than a hundred years old. You can't stop development, so there are more and more people, and there is more and more demand on the aquifers. At some point you actually start to mine the aquifers, and the aquifers start to go down. This affects the water in the outlying areas: the rural areas, farms, and acreages that are near the town. This is happening in all these places, in Stettler and some of these other towns that are mentioned. It happens in Blackfalds, in Ponoka, as well as in Lacombe. What it does is it starts to affect the wells on the farms that are near the town. This is a problem that has been recognized for some years.

The solution is to manage your water, build these dams on the rivers. We have a dam on the North Saskatchewan River for Edmonton. We have them on the Bow River and the South Saskatchewan and the Oldman rivers for these different municipalities. We've been doing this for many years. Now it's the turn of the people in central Alberta. They must be able to access this water. There are other plans for water in Alberta to promote rural development. If we do not do this, you actually have to start depopulating these areas. I don't think that any member across the floor would say: you should go first, or you should go first. I don't see anybody putting their hand up and volunteering to leave these areas because these are good areas to live.

The water is there. We must use it judiciously. We must be very concerned about the environment, and I appreciate their concern, but I think the questions have been answered. They talk about: how will we ever limit the use of water? Price will limit the use of water. The cost of the service will limit the use of the water. If you have to pay a dollar and a half or \$2 a metre for water, you won't be watering huge lawns. People will get used to having lawns the same in town as they do in the countryside. If it doesn't rain, it doesn't rain.

9:30

So I think the actual cost of providing services will limit the use of water to a reasonable amount, and if it gets beyond that, it'll be rationed. It'll be rationed equally between all users. This is an agreement that we have in Red Deer. If there's not enough water in the river and it has to be rationed or the use has to be limited, it'll be equal across. It will be rationed equally. Water is not being sold, but the cost of the water is going to be determined by what it costs to process it and deliver it. That's why it'll never be sold. It'll never become a NAFTA issue because the water services are being marketed as to the cost of delivering the services, not the water. They get the water out of the river for free, and the consumers get it only for the cost of service.

So, Mr. Speaker, I think many of these questions have been answered. This is an absolute necessity for these towns, and we must go forward and support this bill. Thank you.

The Acting Speaker: Standing Order 29(2)(a) kicks in. Any questions or comments? The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. I have a question for the hon. member. The hon. member was talking about users of this water or this resource, and the licence, as I understand it, for the transfer of water is not to exceed 2,941 cubic decameters annually. What percentage of that water that's going to be transferred is going to be used for domestic residential purposes, how much is going to be used on farms, and is any of that water going to be used for irrigation purposes?

Thank you.

The Acting Speaker: The hon. Member for Lacombe-Ponoka.

Mr. Prins: Mr. Speaker, thank you. I don't have exact numbers for that, but I think there would probably be none used for irrigation purposes as this is treated water, and the expense of it wouldn't allow for that. There might be a small amount of this water being used on farms, but I don't think it would be used for extensive livestock operations because, as in the Lacombe case, it just doesn't pay. You can't afford to be feeding this expensive water to livestock. The balance would be all used for municipal and residential use.

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

Ms Blakeman: Thanks very much. I have a couple of questions. For starters, I'm wondering if the member would be willing to share with us, to table in other words, documents that show that the treatment of the water is eliminating all organisms, including any that could come up during a transfer. My example was the zebra mussels. I think he's talking about bacterial, but can he produce the documents for us that show that absolutely everything is killed?

Mr. Prins: I don't have those documents, but I'm sure they're around. If the member really would like to see them, I'm sure we can find them and present them to you.

Thank you.

The Acting Speaker: The hon. Member for Lethbridge-East.

Ms Pastoor: Thank you very much, Mr. Speaker. I just have actually a quick question to the hon. Member for Lacombe-Ponoka. Is the water that's being transferred to these various municipalities being treated, and is it a tertiary treatment level before it goes back to the rivers?

The Acting Speaker: The hon. Member for Lacombe-Ponoka.

Mr. Prins: Yes. I can only speak for what's happening in the Lacombe-Ponoka situation, and the water for sure is being treated in the city of Red Deer. The water that's going down the pipeline towards Blackfalds, Lacombe, and Ponoka is actually city water from Red Deer, the exact same water. If you would be in Red Deer, you'd open your tap, and that's the exact same water that goes to Lacombe. The pipeline was extended. Then it goes through a waste-water treatment in each of the towns downstream. It goes through a waste-water treatment plant and a lagoon system, and it will be discharged into where they discharge now, and it has to meet all the criteria that Alberta Environment would put on it now. It would be no different than it is presently.

Dr. Swann: Can I ask the hon. member, then, if he's talking about a perpetual plan to continue and increase interbasin transfers of water in the province?

Mr. Prins: See, that's something I can't answer because I would never say that it's a perpetual plan, but I'm thinking the Lacombe situation is a plan that has a lifespan of 25 to 50 years. If it goes for 50 years and there's a need to expand it, then you'll have to go back to the drawing board and see if you can actually then expand it. If you cannot expand it at that point, that would cap the amount of development that can happen in these communities. But I think that in 50 years there will be another generation of people that will look after that problem.

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

Ms Blakeman: Thanks. I'm wondering. The member talked about that they could measure the amount of water that's in the river, but again there's nothing in the bill that's requiring a measurement, as part of the bill, of the underground aquifers. We know how much is above ground. We don't know how much is below ground. He was very descriptive in describing what starts to happen to the wells and some of the underground aquifers. Why is there nothing in the bill that starts to measure the underground aquifers?

The Acting Speaker: The hon. Member for Lacombe-Ponoka in 10 seconds or less.

Mr. Prins: I think what we have to do is focus on the bill, and all this bill is about is transferring water to authorize the Stettler regional water system. I think that some of these other questions could be discussed in a committee format but not right now.

Thank you.

The Acting Speaker: Okay. I guess the time is over.
The hon. Member for Calgary-Varsity.

Mr. Chase: Thank you very much, Mr. Speaker. Excuse the voice. There seems to be conflicting information between the Member for Cypress-Medicine Hat, who is proposing a basin transfer, and the Member for Lacombe-Ponoka, who sort of suggested to me that the small draw on the current river would be such that there is sufficient water already there without requiring a basin transfer. What this comes down to – and this has been brought up by previous speakers – is that we don't have a water inventory. George Bush's WMD stood for weapons of mass destruction. In Alberta WMD stands for water of mass demand. We're putting a tremendous demand on water.

If we'd listened to Captain John Palliser when he talked about the dryness of the Palliser Triangle and so on, we probably wouldn't have had any southern settlements whatever. Through a degree of ingenuity we've managed to survive as long as we have for the past 100 years, but ingenuity can only stretch so far. We can have the odd dam, but if we overdo it, that water evaporates because it's collected in a still area and it doesn't replenish. We know that in Calgary we have the example of the depleting runoff from the glaciers. We know that due to global warming the glaciers are depleting in a rapid fashion. Therefore, the Bow and the Elbow are threatened by not being refilled.

The Water for Life strategy to me is a good policy, and I credit the Member for Battle River-Wainwright for having explained it at a conference that I attended in Canmore. But nowhere in that Water for Life strategy was there any discussion of interbasin transfers, and that is a major concern of mine. What we had was that over the last number of years we would have a drought in the south, and then it would be suggested that we draw water from the north. Then what would happen two years later is that the drought would appear in the north. Simply trying to manipulate the basins – you know, do we have taps at either end? We draw it one year one way, and then we draw it back the next year to suit the needs of less than brilliant irrigation methodology.

9:40

We should be asking ourselves: why is Stettler facing the shortage that it is currently facing? Part of the answer to that problem could lie in the drilling and the use of nonsaline water that's being injected into wells, that is no longer recoverable. If part of the policy for the

future of this government is coal-bed methane extraction to get that last little remnant of potential gas supply, then we're going to be putting our water in greater danger into the future. We have to have an inventory of water, and until we develop that inventory, the idea of drastic changes, of drawing water from one basin to another, just doesn't make sense.

We've had examples of both good and bad planning. An example of bad planning is what happened just outside of Stavely. Engineers, geologists recommended to the government of the time that the Pine Creek coulee that was a reservoir area should be lined. Unfortunately, at the time when it would have been considerably less expensive, that idea wasn't taken into account. What happened was that the water from the coulee kept disappearing, basically leaching into the numerous farm wells in the area and basically ruining the quality of the water. Of course, the farmers were then trying to redrill wells and get below that aquifer level, which was basically being polluted. So that's an example of a strategy that doesn't work.

Let me give you an example of water legislation strategies that do work. At that same Canmore conference that dealt with parks and protected areas, representatives from the town of Okotoks put forward a requirement on developers. They said: we have a water shortage here; we have to think in the future. Up until that time developers had only been required to put three to six maximum inches of topsoil back on basically land that was of a clay base. So what was happening was that the water was running off; it wasn't settling into the ground. It wasn't doing what it was intended to do, but the alderpersons and the mayor of Okotoks came up with a strategy where they required the developer to conserve water by putting a foot of topsoil into the new developed areas. By putting that water conservation strategy into place, the town of Okotoks was able to conserve water and save a considerable amount of money.

Another very positive example of water conservation is what's being proposed with the replacement of the current weir in Calgary. What they're going to be doing is creating a natural series of ponds where the fish will have the chance to go down the river and, in fact, come back up. That's the key part: the spawning aspect. It used to be sort of a one-way trip for the fish. Well, now, thanks to the new approach to the weir, the fish will be able to come up. So what we need is creative thinking where we conserve water, where we don't put one basin at risk by drawing from another basin.

Another concern I have is what has happened in the past. I remember very well when the dam at the Oldman River was proposed and increased in size. There was tremendous conflict at Bocket. It was actually an armed conflict, and it reminded me of what happened later on in Quebec at Akwesasne because the First Nations people did not feel that they had been sufficiently consulted in the building of that dam, and a shot was fired. Fortunately, no one was injured in that altercation, but it was based on a lack of consultation. There wasn't a plan in place, and that plan was not developed in a collaborative, consultative manner. As a result, misunderstandings occurred.

We have the Water for Life strategy. It makes a whole lot of sense, and I would just urge the government to take into account its own strategies. Water basin transfers are very suspect at best.

Another concern I have: I mentioned the business of the leaching effect on water in the Stavely area thanks to the Pine Creek coulee. We need legislation to govern the 600,000 separate wells that we have in this province. We have no regulations on how much water can be extracted. We have this principle whereby the first person to own that property is able to sell the rights to that particular water, but as the previous speaker from Edmonton-Centre mentioned, we have no idea how much water is there. We can't commodify that

water. We can't, then, transfer it or sell it because we have no inventory that would tell us to what extent this water could be used.

Right now we have great draws on the water, at least in Calgary, from a whole variety of bottling companies where makers of Pepsi draw the water, which obviously does not go back into the system and forms a large percentage of the soft drinks that are manufactured. This is water that, well, does not go back into the river in the same fashion in which it was drawn. Therefore, we have sewage treatment systems that, again, are very costly, and we don't limit the demands.

Another problem we have with water – and this is one of the reasons the gas-fired plant was turned down for being built in Calgary – is the tremendous amount of water required in the process of cooling the generators. If we don't take into account what we currently have, and if we fiddle by taking from the north to the south, then basically we're going to do ourselves in.

So I want Stettler to have the quality of water that Edmonton has, the quality of water that we have in Calgary. But I would like to think that that quality of water was something that we didn't have to continue to screen and strain and pour through a series of costly chemical treatments, that we would preserve the quality of that water that comes from the mountains, that comes from the Arctic Ocean, that comes from the Pacific, that comes from the Rocky Mountains: all these wonderful watersheds that we currently have.

If we don't come up with a strategic manner of conserving this water, then we're in deep trouble. We've taken our natural resources – and Water for Life is such a terrific title because without water it doesn't matter how much natural gas we have, how much coal we have, how much oil. Without the sustainability of water, I'll use the example of the Midas touch: what good is all this gold if we can't drink it, and we can't eat it?

We must come up with an inventory. We must come up with a Water for Life strategy. We cannot condone as a Liberal Party the unsustainable thought of drawing water from one basin to another. We're putting the lives of all Albertans, both in northern and southern Alberta, at risk if we start playing God. We can have various forms of ingenuity, but when we attack Mother Nature, we realize what happens.

Thank you.

The Acting Speaker: Standing Order 29(2)(a). Any questions or comments? Hon. Minister of Health and Wellness, did you have a question or comment?

Ms Evans: Just a brief comment. Thank you, Mr. Speaker. In my previous lifetime, I spent time with a number of municipalities engineering what was the second waterline to be built in Alberta connecting potable water from the city of Edmonton all the way out to Ryley. It was second to the Henry Kroeger line that was previously built. It was in some respects similar in design because it was taking good-quality water to people that required it at, hopefully, an affordable price.

9:50

I think that on all sides of the House we've had a lot of questions and comments tonight, but I can suggest that if we had had that same interest in the times that we were building that waterline, perhaps there would have been differences. However, at that time we were looking at PFRA for federal support of such programs and such program development as a waterline, and here, when local people define the interest and show the initiative and are willing to pay for and develop the line, I think they have probably addressed and asked these questions many times over that have been posed in the House.

The one caution I want to bring to this Assembly is this: if we, in fact, show a lot of assertiveness to go out and define where all of our water basins are, where water exists that's in good quality, et cetera, there may be a suggestion that we start paying for and providing that new infrastructure across Alberta, and that would be an incredible and huge investment that we may not be able to bite off until we look at a long-range plan for the economics of it.

The Acting Speaker: The hon. Member for Calgary-Varsity.

Mr. Chase: Yes. Maybe in a kind of reverse questioning, I wonder, minister of health, if when these water pipelines, these sort of aqueducts were created, did it involve an interbasin transfer, or was it within the same water table or water area? I'm thinking that geographically speaking, it didn't involve an interbasin transfer. It drew from an existing basin.

The Acting Speaker: Does anybody else have a question or comment? The hon. Member for Cardston-Taber-Warner.

Mr. Hinman: I think we're talking about some very important things, but I have one question for the hon. Member for Calgary-Varsity. I'm a little bit concerned where he referred to Milton Born with a Tooth and referred to the fact that we hadn't consulted, possibly, long enough. I have to question that, whether we talk for rest of our lives because we can't come to a unanimous decision. But I'm just wondering about his personal experiences with Milton because I found him a militant who there was no dealing with. Your discussion, saying that we hadn't discussed long enough: I think that we discussed it a long enough time. Maybe a comment to that.

Mr. Chase: Thank you very much for that question or comment. Milton Born with a Tooth, that was just described, was the individual who was charged with firing the rifle, but he wasn't the man who single-handedly drove all the bulldozers, built the ramps of land, and for time on end, month after month prevented developers and the dam crew from going onto his territory.

This wasn't the action of a single individual. This was a concern that the First Nations in the Brocket area had. While this one individual may have taken things to an extreme level, he would not have been able to continue and express these concerns if other members of the Brocket reserve had not supported him and had not held off, basically, development for several months.

The Acting Speaker: The hon. Minister of Environment.

Mr. Boutilier: Yeah, thanks. I appreciate all the comments tonight, and I thank the hon. member for again bringing forward second reading. I think it's important, though, to recognize – and this goes back, in actual fact, to the early '90s, when the then minister of environment in terms of the issue of interbasin transfers had the foresight to realize the important issue and the recognition of the valuable asset that we have with water and, of course, the then minister of environment was the Premier. In the environmental protection act of Alberta he, in fact, recognized that the exact debate we're having tonight is taking place right here, openly, in the Legislature.

The Acting Speaker: Hon. member, the five minutes allocated for this section is over.

Hon. Member for Edmonton-Calder, you had indicated that you wanted to speak on this bill.

Mr. Eggen: Thank you, Mr. Speaker. I rise with pleasure to speak on this issue this evening. I find it interesting. Something twiggled my memory about Rochon Sands and the White Sands area, Donaldda, and Big Valley. So before I begin, I just would like to remind the Assembly that, in fact, we did have a Tory water program of sorts here in this area several years ago, when I believe the hon. Don Getty moved down to Buffalo Lake under duress to some extent, and they wanted to make sure that the lake was sufficiently full for the Premier to live down by Buffalo Lake. So we have seen . . . [interjections] Yeah. So we have seen some water programs down there before for sure.

I think, you know, we see all across central Alberta that there is a difficulty with the water table lowering. There's no two ways about it that, you know, from Lacombe, as the hon. member mentioned earlier, all the way up through Red Deer and over to Stettler and these affected areas, the water table is decreasing, and there's no doubt that the quality of drinking water from wells and the existing systems is diminishing as well.

So I do support this bill in the sense that I think it's important for us to develop a regional water strategy especially for drinking water because, you know, people do live there and will continue to do so, and it's important to have quality water in those places. But as has been discussed here previously this evening as well, my main concern lies around this sort of transfer between the water systems of the North and the South Saskatchewan rivers. Now, while the amount of water that is being suggested in Bill 11 is significant, it's not overwhelming. I think that we do need to remind ourselves just as to the potential peril and hazards of interbasin water transfer.

You know, while we like to look at the North and South Saskatchewan river systems as sort of our last great hope for clean water through many parts of the province, it's important to note that both of these rivers are down significantly over the last hundred years or so that they have been monitored. The North Saskatchewan, say for example, in the summer is down 40 per cent over the last 20 years, and the South Saskatchewan is down up to 65 to 70 per cent over the last 20 years. These rivers are fed during the drier seasons from glacial water, and these glaciers are retreating at an alarming rate. Also, we can see that the snowpack in both of the systems in the mountains has been decreasing at an alarming rate as well. So while, you know, one little bit here and one little bit there – certainly it's useful and necessary for people in these areas to have good, safe water – I think that we need to have a larger strategy in place so that we're not nickel and diming these river systems to their ultimate peril.

I think it's important to recognize that, indeed, we are just sort of coming out of a period in this province in general of relative wetness in terms of precipitation. I think that there's a very long, standing study that's just come out looking at the sort of algae development and remains in the bottoms of lakes as well as tree ring studies that suggest that really we're in a much drier province than we might have seen since the period of recent European settlement. In fact, the tendency seems to be moving into another dry period.

So while these larger, I guess, forces of nature we must just live with and adapt to, I think that it's important for us to realize that our own human impact on these things is significant as well. You know, sooner or later in this century we're going to really have to deal with what water shortage is about here in this province, Mr. Speaker, and the sooner we deal with that in an honest and comprehensive way, I think that the more reassurance that places like Rochon Sands and Stettler and Lacombe and Taber will have that they can have sustainable development in terms of water.

Otherwise, as I said before, putting in regional systems to ensure the integrity of the water I think is important. So I do support Bill

11 in that regard because, you know, upgrading the Stettler water system to supply these larger regional areas I think will mitigate potential problems in terms of smaller water systems or well contamination, so people in these areas could count on a consistent supply of water. But, you know, once again, as different places around the province look for a reliable and safe source of drinking water and water for the town's general use, I think that perhaps we could look at other forms of water use.

10:00

One of the things that I think we're having to come face to face with is the fact that, you know, we supply this water that we're all reaching for here this evening, for example, fine, fine drinking water that otherwise you could bottle and sell just as easily, and I suspect that's exactly what most companies do. But to use this water that's brought up to such a high standard for anything but drinking water purposes I think perhaps is something we need to look at in the future, in the immediate future, Mr. Speaker, because in fact the amount of energy and the amount of effort and processing required to build our drinking water systems might be excessive for the other uses of water that we use domestically in the cities and the towns of this province.

As several hon. members mentioned across the way here earlier this evening, by putting a price on water and that price being variable and ultimately increasing, we will set up a natural system for water conservation in this province through pricing. Well, I think that once again this invisible hand that the hon. members across the way like to use with impunity, you know, doesn't take into account all things and all situations in our province. Certainly, at the end of the day we have to make sure that everyone has access to good quality, affordable drinking water, and just allowing the price and the market to come to bear and let the chips fall as they may sounds rather irresponsible to me.

So at the end of the day I think that this Bill 11 on its own sort of stands in a small way, in a very practical way, to supply the regional water services for this area, but as I said before, I would like just to reiterate some of these larger concerns that many people are having across this province in terms of water management.

Thank you.

The Acting Speaker: Standing Order 29(2)(a), any questions? The hon. Member for Cardston-Taber-Warner.

Mr. Hinman: Just wondering if the hon. member knows of any communities that use a two-water system and could report on how that's working between treated and untreated water.

Mr. Eggen: I like this question system. I think these guys use it quite a lot over here, where you have a question, you set it up, and there it is.

Yes, in fact I have seen that system used in other countries. You know, I had the very unique and interesting experience of living in a country where there were serious water shortages, in southeast Africa, setting up a complementary grey and drinking water system in a town that I was familiar with. While initially it was more expensive to set up, while they were building this town, you could in fact set it up. Using the grey water to flush toilets and to water gardens while keeping a separate drinking system ultimately proves to be more economical.

The Acting Speaker: The hon. Member for Calgary-Varsity.

Mr. Chase: Yes. Another question for the hon. member. I share the same concerns you have about commodifying. If you start putting

price tags on things and, as you pointed out, the market drives, then we're in trouble. But I'm just wondering how you feel about the need for some type of water inventory so we know what kinds of resource we have, and if you have any suggestions how we could develop that inventory.

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

Mr. Eggen: Thanks. That's a very, very good question. I appreciate it.

This is fun. I can get into this for sure.

Yes, absolutely. I mean, that's a huge problem that we are not facing with the water strategy as of yet. You know, I think it is important that we do look at water, as with other things as well, as a regulated commodity. Once again, we've been dealing with this in terms of energy. Water, I think, has to fall under a similar category.

For example, the city of Calgary, without a metering system the average Calgarian uses 800 litres of water, I believe, while the North American or even western standard for a large urban centre is only 300 to 400 litres. So you need that sense of regulation and a price to be put on these things, but ultimately people need access to good, clean water. We need to know how much is there and where we are going to put it in the next hundred years or so. And right here in this place, in this Legislature, is where that regulation has to start.

The Acting Speaker: Anybody else wish to participate in the debate?

The hon. Member for Cypress-Medicine Hat to close debate.

Mr. Mitzel: Thank you, Mr. Speaker. This has been a most interesting debate. Just a couple of points and then I certainly look forward to discussion in committee. This system here is actually less than .1 per cent of the average annual flow of the Red Deer River. The hon. Member for Lacombe-Ponoka wasn't sure of the amount. It's actually less than .1 per cent.

I've been involved for many years, Mr. Speaker, with development of large regional waterlines, so that's why I said that I find this very interesting. I look forward to the committee and the discussion of the committee. I will certainly answer the questions that came up here, and I might add that a lot of those questions, just for a lot of the members as information, were also brought up during the water strategy. In fact, all the basin advisory committees that are out there now actually are looking at these same questions that were asked here tonight.

With that, I might add just for information that the North Saskatchewan basin and the South Saskatchewan basin are really a part of the Saskatchewan basin as are the Oldman basin, the Battle basin, the Bow basin, and the Red Deer basin. They're all part of the Saskatchewan basin, and in the end they all join in one Saskatchewan River and flow into the Hudson Bay.

With that, Mr. Speaker, I'd move that we call the question.

[Motion carried; Bill 11 read a second time]

Bill 12

Victims of Crime Amendment Act, 2005

The Acting Speaker: The hon. Member for Red Deer-North.

Mrs. Jablonski: Thank you, Mr. Speaker. It's my honour to move second reading of Bill 12, the Victims of Crime Amendment Act, 2005.

The purpose of these amendments, Mr. Speaker, is to clarify the basic principles of justice for victims of crime. No one expects to become a victim of crime, but in one black moment it can happen, and your life is changed forever. It's not just the fallen body that is a victim; it's the family that cries over that body that are also victims.

In 2002, 25 per cent of Albertans reported being direct victims of crime. A caring community provides services and support for victims of crime. The province of Alberta has been helping victims of crime through services and support since 1969, when the first piece of legislation, known as the Criminal Injuries Compensation Act, was passed. Twenty-two years later the Victims Programs Assistance Act created a fund to support programs and services for victims of crime. In 1997 the Victims of Crime Act consolidated the two former acts and established a 15 per cent surcharge on provincial offences. This money was directed to a regulated fund known as the victims of crime fund, separate from the government budget.

With the additional revenue, services to victims were enhanced and more money became available to assist crime victims. By working with our communities to help victims of crime, we make a difference in the lives of the many Albertans who, when they least expect it, become victims of crime and look to their community for assistance.

10:10

Today the Victims of Crime Amendment Act includes specific information in clear language to modernize and clarify the previous principles enhanced in this act. Mr. Speaker, this amendment act revises the basic principles that apply to the treatment of victims, that were endorsed in the new Canadian Statement of Basic Principles of Justice for Victims of Crime. These changes will help to provide better and more effective services to victims of crime in Alberta.

Mr. Speaker, I move to adjourn debate.

[Motion to adjourn debate carried]

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

Mr. Stevens: Yes. Thanks, Mr. Speaker. I move that we adjourn the Assembly until 1:30 tomorrow afternoon.

[Motion carried; at 10:11 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]

