

Legislative Assembly of Alberta

Title: Monday, August 28, 2006

8:00 p.m.

Date: 20060828

[Mr. Shariff in the chair]

The Acting Speaker: Please be seated.

Hon. members, the Government House Leader moved a motion earlier on this afternoon, and I believe there was unanimous consent given that should there be any division, the bells be reduced to two minutes. We just want to make sure that that motion applies for the evening as well.

Hon. Members: Agreed.

The Acting Speaker: Okay. So the motion as passed earlier this afternoon applies for the evening too.

head: **Motions Other than Government Motions**

The Acting Speaker: The hon. Member for Highwood.

Cattle Health and Slaughter Protocols

512. Mr. Groeneveld moved:

Be it resolved that the Legislative Assembly urge the government to work with provincial governments and the federal government to standardize health and slaughter protocols for cattle across the country, thereby increasing interprovincial beef trade.

Mr. Groeneveld: Thank you, Mr. Speaker. I'd like to thank all members in advance for their participation in this evening's debate. I look forward to hearing your comments shortly. Before we begin debating this motion in earnest, I would like to begin by discussing some of the reasons for bringing forward Motion 512.

Mr. Speaker, it was three years ago, on May 20, 2003, that a case of BSE was discovered in an eight-year old cow within the province. The ramifications of this discovery were far reaching, and the toll of the closure of the international borders, and particularly the United States border, to live cattle and beef products was devastating to cattle ranchers.

As most of you are aware, the agriculture industry is a major contributor to Alberta's economy, and when our cattle producers were hit by the cut-off of trade from the United States, all Albertans felt the impact. The United States is our largest trading partner in terms of beef exports, with somewhere around 80 per cent of the province's beef exports destined for that country. No longer being able to export beef and beef products to the U.S. had a huge effect on the beef industry, as we are all aware.

As an MLA with constituents who suffered during this time period and also as a beef producer myself, I witnessed first-hand the effects that the border closure had on beef producers. In 2002 Alberta's revenue from beef and veal exports was more than \$1.6 billion. By 2003 this figure was closer to \$1 billion. Such a significant decrease in the revenue generated by beef goods cut into beef producers' bottom lines considerably.

Improving the ease with which Alberta beef is traded within the country will ensure that our beef trade remains strong, which is a benefit to all Albertans. Currently meat being traded interprovincially must be processed in a federally inspected meat facility. Beef cuts that are being shipped solely within the province can be processed within the province at a provincially inspected meat processing establishment. At both levels meat is inspected to make

certain that it is safe for consumption. The Canadian Food Inspection Agency is responsible for enforcing the food safety standards created by Health Canada, and our own provincial legislation, such as the Meat Inspection Act, ensures that our Alberta beef is safe for consumption by Albertans and individuals worldwide.

Although Alberta has high standards for provincial meat facilities, meat inspected at these establishments still is not eligible for shipping interprovincially. Mr. Speaker, the requirement that meat shipped to other provinces be processed in federal meat establishments impedes many Alberta beef producers and small companies who sell meat products from shipping their goods between provinces with ease and efficiency. For example, in my constituency in the village of Longview there is a beef jerky producer who is hindered by this current system. Many of you may recognize the name of Longview Beef Jerky. This is a company with great product who has enjoyed a good deal of success within the province. The company uses a provincially inspected plant in creating their product. Were the system more flexible and this company able to ship the meat inspected at the provincially inspected meat processing facility interprovincially, the possibility for them to expand their business would be much greater.

Another incident where the lack of unified standards across the provinces has hurt Alberta companies was the incident of Blue Mountain Packers. This was a group of Alberta ranch investors who refurbished a mothballed packing plant at Salmon Arm, B.C. They did not set up in Alberta because of the fact that they could not export out of the province. Ironically, you can send live cattle province to province quite easily, but you cannot send meat or meat products unless they have been through a federal meat establishment. The cost of shipping live cattle and the unanticipated fact that all waste products had to be shipped back to Alberta proved to be too great a financial burden, and the plant went into receivership after just 16 months of operation.

Were we able to trade beef products between provinces using our provincially inspected meat facilities by standardizing our health and slaughter protocols across the country, Alberta would be able to further increase our interprovincial beef trade. Companies such as the ones I have just described would be free to ship their beef products across the country using a more common-sense method. Standardizing would be an efficient manner of increasing such trade and also benefit the country as a whole, not just our own province.

Mr. Speaker, Alberta has high standards for its meat processors as well as provincial cattle producers, but standardizing health and slaughter protocols across the provinces and territories would demonstrate to other countries how vigorous our standards truly are when shipping beef and beef products within the country and abroad. It also presents a great opportunity for Alberta to assist producers in diversifying their markets. If producers can easily and efficiently export their beef between provinces while still maintaining animal health and food safety, they are more likely to take advantage of this fact.

Mr. Speaker, this government has done a great deal to support the beef industry after the occurrence of BSE caused markets to close to live cattle and beef products. With Alberta's six-point BSE recovery strategy the industry has been able to recover most of the trade and to look forward to the future, when we can increase our exporting to even greater levels. Motion 512, standardizing health and slaughter protocols, will help to further this goal and build on the BSE recovery strategy.

Easing the trade between provinces, thereby increasing Alberta's interprovincial beef trade, will benefit Alberta's beef producers, the beef industry, and, indeed, all Albertans. Therefore, I hope that all

Members of Alberta's Legislative Assembly will support Motion 512 this evening.

Again, I look forward to the rest of tonight's debate and thank all members in advance for their comments regarding Motion 512. Thank you, Mr. Speaker.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. It is a pleasure to rise in this Assembly in the month of August and discuss Motion 512. I would like to thank the hon. member for bringing this forward. It certainly is a very good motion, and I think that all hon. members of the Official Opposition would be interested in supporting the member's motion.

Now, this motion certainly reflects one of the Alberta Beef Producers' carried resolutions. This was decided upon late in 2005. If you have a look at the resolutions of the annual general meeting that were published in the Alberta Beef Producers' newsletter, you will see where there is a similarity.

This motion encourages the provincial government to work with other provinces and the federal government to standardize cattle health and slaughter protocols nationally. It aims, of course, at increasing interprovincial beef trade. I would like to know from the hon. member – and perhaps in the time that we have someone else can inform everyone in the House – just exactly what sort of consultation process has gone on not only with other provinces and the federal government but with the Americans, if any. The hon. member pointed out quite accurately the significant export trade that we have in beef and beef products with the Americans, but it is certainly in that market that we need to restore one hundred per cent confidence. Whenever the American consumers buy our beef and our beef products, they should know that they can have all the confidence in the world in that product.

8:10

According to the Alberta Beef Producers, producers are able to trade beef within their own province, which inspects beef according to their provincial standards. When beef, of course, is traded interprovincially, the Canadian Food Inspection Agency is responsible for inspecting the beef, and again it's according to federal standards. In Alberta the meat inspection regulation sets provincial guidelines in the area of animal slaughter and handling.

I would like to know at this time – and if I could get an explanation, I would be very grateful. We have HACCP in Alberta, which is the hazard analysis critical control point. When I look at this in the Alberta Agriculture, Food and Rural Development annual report from 2004-05, I'm looking at some of the performance measures. The hon. member talked about our vigorous standards, and I would like an explanation from the hon. member in regard to this performance measure from the annual report, which indicates that as a "per cent of Alberta-licensed food processing plants that have implemented appropriate food safety process control systems" for meat, the target is 6 per cent, and then it's going to increase in leaps and bounds to 20 per cent in the next year.

Now, there have been no draft annual reports of any respective departments released by the government. I don't why. Usually in other years, Mr. Speaker, there is a complete list of draft annual reports presented to the standing policy committees and through the standing policy committees to the Official Opposition and to the public, the taxpayers. But this year – I don't know whether it's because of this session or because the government is lacking focus and direction because of the leadership race – there have been to date no annual reports, the draft form, presented through the SPC

process. Perhaps I could have my question answered, but in light of the fact that I don't have the annual report in draft form for 2005-06, the hon. member could let me know for meat products just how we're doing so we can make sure that we are restoring confidence in our meat processing industry.

Federally, Mr. Speaker, there is the Meat Inspection Act,

an Act respecting the import and export of and interprovincial trade in meat products, the registration of the establishments, the inspection of animals and meat products in registered establishments and the standards for those establishments and for animals slaughtered and meat products prepared in those establishments.

Well, I would also like to ask if in the research leading up to this motion the hon. member had contemplated the manufacturer of the beef jerky in the constituency perhaps being interested in making a presentation to the committee that I understand is meeting regarding red tape or, as I call it, blue tape – there was supposed to be a reduction in blue tape by this government; in all regulations and all rules and laws there was a supposed to be a streamlining, a look at that – and if this is perhaps a place that individual or that enterprise could go and have their opinion heard.

Now, when we look at this, Mr. Speaker, we already know the importance of Alberta's cattle trade. The interprovincial cattle exports certainly fluctuate, but they've been as high as 350,000 head in 2002. Since BSE that has dropped significantly, but hopefully it's going to recover, and we are going to once again have a very important and healthy and prosperous industry.

I'm certainly willing to support this motion. The purpose is to increase interprovincial trade, and we on this side of the House certainly support the hon. member's initiatives. The beef industry, as we've said before, is very important to Alberta, and we are happy to support any measure that will facilitate increased interprovincial beef trade. I think this is a good idea, and I know that it's something that would and should get a lot of support here in this province.

In conclusion, in due time can we hear from the hon. member: has the member spoken with any groups either in Alberta or elsewhere who are opposed to this idea? If anyone is opposed to it, if he could elaborate why, I would be very grateful.

Thank you.

The Acting Speaker: The hon. Member for Edmonton-Beverly-Clareview.

Mr. Martin: Thank you, Mr. Speaker. I think Motion 512 is a good first step in terms of going to work on this issue. I'll come to some problems, but I think it's certainly reasonable that we in the Assembly support this.

I think there are some danger signs, and I don't know if this has turned around yet. I notice from the daily livestock estimates that the national cattle herd has declined for the first time in three years since BSE. They had an estimated 14.8 million head on the farms as of January 1, a drop of 233,000 head. Now, I'm hopeful that if we move on this motion, that will solve some of the problems, that it would get the herd back up. Clearly, the member talked about the reasons, BSE, and certainly, Mr. Speaker, there have been attempts in Alberta – I don't agree with all the attempts; I think some more could have been done – to increase packer capacity within Alberta. We have, I believe, nothing to lose, nothing to lose at all from a comprehensive nationwide strategy.

I'm sure the minister is aware of this. Last year in May 2005 – I'm not often a great Senate person that advocates a Senate, but every once in a while they stumble in and do some reasonably good work, Mr. Speaker. I'm talking about the interim report of the Senate Standing Committee on Agriculture and Forestry. There are

a number of recommendations, but I think it's important that they make recommendation 6.

The Committee recommends that the Canadian Food Inspection Agency immediately undertake a legislative review, in consultation with the industry and the provinces, and with due consideration of all trade implications, to propose changes to the relevant acts and regulations in order to implement a domestic standard allowing establishments that comply with this standard to trade with other provinces without being fully registered to trade on the international market.

It seems that what they're recommending in 6 is certainly in the same spirit as the motion that the member is bringing forward. Though it is important, it's not quite as simple – I'm sure the member knows this – as just saying that we're all just going to get together and agree to do this. It's important to note that this is a matter requiring thorough negotiations and quite likely legislative changes at both the federal and provincial levels.

8:20

The Senate report does note that there is currently an agreed-upon meat code which reflects basic minimum food safety standards for a meat processing plant. It also cautions, however, that if this code is enshrined in legislation, it might have unintended consequences in terms of the standards Canada would request of foreign countries shipping meat to Canada. So they're saying that there could be some problems here. To quote the Premier – I can use his quotes every once in a while – for every action there is a reaction. They're saying that could create some problems there.

I think that on the whole this motion is a good one in that national standards would be an initial step toward improving interprovincial trade barriers, particularly as it relates to beef. Clearly, though, there is more work to do. The point I want to make is that this is probably much more complicated than we can just put in a motion, but I think this motion is worth supporting as an initial first step.

Thank you, Mr. Speaker.

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

Mr. Mitzel: Thank you, Mr. Speaker. It's with great pleasure that I rise this evening to join the debate on Motion 512. Motion 512 proposes that the government work with other provinces and the federal government to standardize health and slaughter protocols across the country with the objective of increasing interprovincial beef trade. I'm confident that this idea has the potential to achieve not only its intended objective but to have positive effects on Alberta's international standing as well.

To understand the positive effects this proposal will have on the future of our beef industry, it is vital that we consider it in light of the past. Three years ago our beef industry was brought to its knees by BSE, bringing with it a multitude of other trades and occupations that depend on its well-being. Borders were closed, profits fell drastically, and the future of the beef industry in Alberta looked very grim indeed. Thankfully, it seems as though we've managed to weather the worst of the crisis.

Because we survived, however, doesn't mean we can rest easy. We need to take steps to protect ourselves from another such crisis. How will Motion 512 accomplish this? I think the encouragement of standardized slaughter protocols will inspire two very different yet equally significant and positive effects.

First and most obvious is the economic benefit that will be realized from easier interprovincial trade. Adopting a universal standard would make provincially licensed facilities able to export their products to other provinces, something currently prohibited under federal law. In this day and age I think it's totally ridiculous

that trade of not only beef products but also most agricultural products and commodities is still prohibited unless federally regulated and licensed. As the lion's share of Canada's cattle are in Alberta, I think that expanding market share within the country would provide a good deal of opportunity for our beef producers, slaughterhouses, truckers, and all those whose financial security depends on the beef industry. Opportunity aside, it would also provide protection in the event that foreign borders were once again closed due to BSE or any other form of crisis. Having an easily accessible market right next door would make things easier should that ever – and let's hope it doesn't – happen again.

Which brings me to the second benefit that I believe could come about from this proposal: increasing confidence from our international trading partners. Our handling of the BSE crisis was absolutely beyond reproach, as have been the measures we've taken here in Alberta to prevent another outbreak. While other provinces may be equally vigilant, they do things slightly differently. If their procedures are perceived poorly by a foreign trading partner, the consequences for Alberta could be disastrous. Even though exported beef is governed by existing federal standards, this still doesn't change the perceptions surrounding provincial protocol. A nationwide standard would show a unified front to the world, benefiting Albertans and Canadians by increasing international confidence in the safety of our beef.

The ideas proposed in Motion 512 have been a subject of discussion for quite some time now. In fact, the new federal government has indicated that it may be enacting legislative changes in the very near future. Does this make support of this motion redundant or unnecessary? Not at all. I've spoken this evening of the importance of presenting a unified front, Mr. Speaker, something our support of Motion 512 would be instrumental in doing. Additional encouragement never hurts and serves to illustrate Alberta's commitment to the ongoing health and well-being of one of our oldest and most valuable industries.

In conclusion, I'd like to thank the hon. Member for Highwood for bringing forward a very useful, thoughtful, and constructive proposal. I'm pleased to offer Motion 512 my support, and I encourage all members of the Assembly to join me in doing so.

Thank you, Mr. Speaker.

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

Mr. Prins: Thank you, Mr. Speaker. I also appreciate the opportunity tonight to stand before the Assembly and share my views with regard to Motion 512. The issue of health and slaughter protocols for cattle is certainly something that is important to the producers of livestock in Alberta as well as the industries that buy and sell the products that come from these livestock.

However, as seen in the BSE crisis, this industry involves a much larger circle of people than just farmers. The cattle industry includes farmers, auctioneers, truckers, slaughterhouses, food processors, feed producers, and a variety of businesses that support these ventures such as local hardware stores, veterinarians, and machinery dealers, et cetera. The list goes on and on. This web of economic interdependence proves that we as legislators of this province must do everything we can to ensure that the entire sector is healthy and strong. Creating a governing framework that solidifies the cattle and livestock industry has been important to this government, especially over the last few years. It is great to see that just because we survived what was possibly and hopefully the darkest years of the BSE crisis, we are not happy with just keeping the status quo. Motion 512 is another example of this.

At a time when we are looking to expand and secure trade as well

as improve the margins of our livestock and agricultural operations, investigating the costs and eliminating the inefficiencies and barriers involved with multiple jurisdictional standards seems like a logical step. Producers and consumers both deserve our support in the realm of slaughter protocols. If we consider the number of Albertans that are involved in the cattle, hogs, poultry, or any other livestock industries, including elk, deer, or bison, and combine that with all of the citizens that consume our Alberta meat products, that figure translates to a huge majority of our constituents.

The effectiveness of slaughter protocols is a concept that makes sense on a political, social, and even personal level, as I'm sure most of us also enjoy a good steak from time to time. After all, if you eat, you're involved in agriculture, and that pretty well takes in all of us.

The tricky part for us is deciding what the best approach is for supporting the industry and protecting Alberta consumers. As most of us know, there's always a positive side to creating localized procedures and regulations. The standardization outlined in Motion 512 would likely save the province money, time, and red tape by creating a made-in-Alberta solution to health and slaughter protocols for cattle.

There appears to be great potential in standardizing health and slaughter protocols for cattle mainly because it would allow for easier interprovincial trade, opening up a greater market share for Alberta producers and the sector as a whole. If you consider that in 2004 Alberta beef exports made up 79.8 per cent of the Canadian total, which is about 80 per cent of all the cattle in Canada, it would make sense that we make the process as smooth as possible to ship beef to our interprovincial customers.

Mr. Speaker, currently if an animal is slaughtered in Alberta in a plant that is only provincially inspected, that animal or its products can only be sold in Alberta. If that same animal had been slaughtered in a federally inspected plant, it could be sold interprovincially or even exported outside of Canada. Yet if a farmer wants to, he can take a live animal from Alberta to Saskatchewan or B.C. or anywhere else and have it slaughtered there. Similarly, if a consumer from Alberta or Saskatchewan or B.C. or any other province comes to Alberta, they may buy products here, carry them back, and consume them in their home province, but they can't resell them.

Other provinces have standards, and we have standards, and we all seem to believe that our standards are adequate to protect our own consumers in our own provinces. It is clearly time to harmonize these standards across the country, to remove barriers to trade and prosperity. If we had the same standards at all slaughter plants in all the provinces, then products could cross any border without these barriers.

Earlier I mentioned the other species, Mr. Speaker: elk, deer, and bison. Currently there's only one plant in Alberta that slaughters elk and bison for export. This is not good because that plant can just set their own prices for the live animals, and they can ruin the market for the producers of these products. There is another plant being built right in Lacombe. This is good for the economy in these industries, in the elk and bison industries. This plant will not be operational for a few months, but I'm hoping that when it comes on stream, we'll improve markets. As well, that plant in Lacombe will be federally inspected and EU inspected, so it will be able to ship product from Alberta to any other province and any other country.

8:30

It is my understanding that work is being done already to standardize these protocols, but pushing the envelope with these discussions or giving someone a nudge from time to time in order to get things moving can be a positive step in the right direction. Considering all the issues and intricacies that have been brought

forward here tonight, I feel that at the very least this motion has yielded constructive discussion to work from. As such, I would like to commend the efforts of the Member for Highwood in bringing forward this proposal on standardizing health and slaughter protocols for cattle. Once more I say that this is not just for cattle, but it would be for the elk and bison as well.

I support Motion 512 and encourage other members to do so as well. I'll cede the floor and listen eagerly to what other members might say or to the remainder of the debate.

Thank you, Mr. Speaker.

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

Mr. Taylor: Thank you, Mr. Speaker. It is my pleasure to rise and speak in support of Motion 512, cattle health and slaughter protocols. I was noticing a billboard on the drive up to Edmonton last night – I think it's for a credit union or a small regional bank or something like that in and around Bowden – that says: common sense should be more common. I think there's a lot of common sense in this motion.

You know, I viewed the mad cow crisis, the BSE crisis, at its height perhaps a little differently than a lot of my colleagues in this House. At that time I was still in the media and talking on a regular daily basis to a number of people both directly and indirectly involved in agriculture and beef production who were badly harmed by the crisis. One of the things that became clear to me over the course of the first few really critical months in that crisis was that we need to a greater extent to be masters of our own destiny, I guess is the best way to put it.

One of the problems, of course, that we ran into was the fact that we not only could not get our beef products across the line to the United States or other countries in the world; we couldn't get our live cattle across the line either. If I understood correctly what I was being told over the course of really the first year, I guess, of that crisis, it became fairly clear to me that one of the ways that we can be masters of our own destiny is to take every opportunity. This not only applies to beef production or the raising of elk or bison. It applies to the oil industry. It applies to the petrochemical industry. It applies to virtually every endeavour that we undertake in this province. One of the best ways to be masters of our own destiny is to add value at every step along the way that we possibly can.

I don't want to get myself in too deeply here, because I profess to be a city boy through and through to the core. But, again, if I understood what farm people and rural people were telling me, it certainly does make sense from time to time to export live cattle and import live cattle because you're improving the gene pool, but to ship live cattle across the border holus-bolus to have the cattle slaughtered somewhere in the United States and the beef shipped back to us dressed and finished doesn't make nearly as much sense as doing it ourselves and selling the finished product across the border for a good deal higher profit margin.

I think that as a relatively small player on the global scene one of the ways for Canadians, whether that's Albertans or people of any other province, to do a better job at being masters of their own destiny is to break down the walls between the provinces, the interprovincial trade barriers, the regulatory barriers that exist and to build the strongest possible domestic markets at home, realizing, of course, that a nation of 32 million, 33 million people is a small player compared to nations of 300 million or 400 million, but it's a bit of a cushion when unforeseen circumstances and tough times are visited upon us from external sources. If for no other reason, I would support Motion 512 and what it proposes and what it urges this government to try and work on so that we break down barriers,

break down walls, allow for the freer movement of beef interprovincially, across provincial borders, so that we are stronger right here at home at our base.

As has been alluded to by at least a couple of members before me, if our protocols for health and slaughter are standardized across the country, across Canada, then that improves our position when we do go to export, whether it's a live animal or whether it's finished product, whether it's to the United States, Mexico, Japan, Korea, whoever our customer is on that particular day. If we pass this motion and our government acts on it and works with other provinces and with the federal government to standardize cattle health and slaughter protocols nationally, I think that as well as increasing interprovincial beef trade, as well as making it easier to set a made-in-Canada standard for our exports to the world, a standard that speaks to the highest quality in health and safety, it will allow us the opportunity to tap into markets both domestically and around the world that perhaps we're not really making much of an effort to tap into at this point. Usually when you break down barriers like this, it opens up new opportunities, some of which we can anticipate, many of which we can't. Perhaps it gives us an opportunity here in Alberta to lead in the field of kosher and halal meats and the new markets we can tap if we recognize this as a growth opportunity.

We have a long heritage and a long history in this province of being entrepreneurial, taking advantage of opportunities as we recognize them. Let's take that to the next level. This is an opportunity to do that, but let's try to do it as a matter of course every time. Look at what we do now in the way of doing business with other countries around the world and say: should we continue doing business that way, or is there a way to add value, to take it a step up the production chain and sell a more finished product, a less raw product, for greater profits?

You know, we're often criticized as a nation for being hewers of wood and drawers of water, a nation that for its entire history going back to colonial days has been about providing the rest of the world with raw material that they can then develop into something and sell at great profit around the world and sometimes sell right back to us, the providers of the source material. Obviously, there are times when you want to sell raw materials, but there are times that we do sell raw materials where we could be refining those materials and making more money. In those instances, why sell the Americans a barrel of crude if we can sell them petrochemicals instead? Why sell the Americans or the Japanese or anybody else a live animal when we can sell them dressed meats?

I think this motion helps us in that endeavour, and I'd be happy to support it.

Mr. Speaker, I thank you for your time tonight.

The Acting Speaker: The hon. Member for Vermilion-Lloydminster.

Mr. Snelgrove: Thank you, Mr. Speaker. I can very sincerely say that I agree with everything the hon. member has said. It is truly a very small first step in representing Vermilion-Lloydminster in this province. It certainly gives me an insight into the hundreds of rules that we have put up interprovincially to stop trade. You know, it's the hypocrisy we have when we go to deal internationally, how we demand other countries remove their barriers, how they need to have access and we need to have access. Then we turn right around, and we have exactly the same internal barriers in Canada. It is much the same. I've been very privileged to represent Alberta at several international functions on agriculture. The Mexicans have much the same problems. They find it easier to deal with us than with each other. The Americans have more trade restrictions interstate than

they do with us. It is protectionism, pure and simple. They do it often under the pretense of safety, and it is not.

8:40

Diamond 7 Meats in Lloydminster is a hundred feet on the Saskatchewan side. I doubt that there's a more reputable firm anywhere here. I can take my animals to them. I can slaughter them and take them home. They can slaughter for everyone in Saskatchewan. They can sell it to all the restaurants and stores in the Saskatchewan side of Lloydminster. Albertans can flock across there and eat that meat. But they cannot move it 10 feet across the street and sell it to an Alberta café. It's just bizarre.

I mean, it opens a few more. In Lloydminster, for example, we will happily pay for me to go across the street and see a doctor in a hospital that we pay for on the Saskatchewan side, but that doctor cannot walk back across the street and see me. We will not pay for someone to go across the street and have their eye examined under a Saskatchewan eye doctor because they're not in Alberta anymore. We do this so many times, and it costs nothing but bureaucracy. If we're doing it under safety, then it makes it really difficult to talk about it.

We are so frustrated in Alberta with R-CALF because of all the things they do to keep our beef out, and it's always about safety. Everyone here and everyone in that organization knows that it's got nothing to do with safety. It's protectionism, blatant, pure and simple. When they don't win in a court of law, they'll move to another court or another jurisdiction. They're now lobbying to get beef put on what they call a J list, which is an import protection list that hasn't been adjusted since 1939. These boys are serious about what they think is protecting their beef industry, probably very shortsighted. We sit and look at them with ridicule, yet we do it to ourselves.

It would be a challenge to have the different departments in the other provinces come back to us with an instance where someone has been given back meat from a slaughter facility that's been contaminated. I think we hold standards that are very close or certainly close enough that Albertans are comfortable with our slaughter facilities, and my good friends in Saskatchewan are comfortable with theirs too. It's not them that stop us; it's us. It's the political will to put everything on the table and say: it's about trade.

I have to applaud the Premier in his initiative to sit down with the B.C. cabinet and talk about issues where we can work with B.C. and try and make it easier for business and commerce to happen. And I hope – I really hope – that our friends in Saskatchewan look at that and say: that's an opportunity for us to get inside. It's not about politics, although that's what we make it. If I can use the same term, it's about common sense, and we have so little of it when it comes to business and trade. It's not common here anymore.

I will say this about HACCP, that the hon. member mentioned. It's an internationally accepted standard, and it is a very good start to be able to connect the dots bigger than just here. If New Mexico is HACCP and we're HACCP and Saskatchewan is, maybe we can start to send a message to our federal management at CFIA. Quite candidly, most of the CFIA people that work at our level in the plants are very good, competent, caring people. When you move to the upper level in Ottawa, it becomes one of the most unaccountable bureaucracies we've ever seen.

We are going to be faced in agriculture with a huge growth in organic foods, organic meats. It doesn't matter. It is going everywhere else around the world, in the States, and we will regulate ourselves out of the market if we don't understand it. I don't want to get back into the Wheat Board fight, but you can't have the Wheat

Board dealing with organic foods. They don't separate them. They can't handle them. They don't acknowledge it. It's ridiculous to think that a system built 60 years ago is still relevant in organic foods. If we're going to have an organic food industry – and we will have it – we might have to import it all because we might regulate it out. If we're going to have it, we need to facilitate what the realities of today are. Everywhere else in the world recognizes that self-imposed trade barriers are just simply wrong.

So to the hon. Member for Highwood: I couldn't agree more. It's a very timely topic and timely discussion. I really do appreciate some of the statements from the opposition and our fellow members. I hope that everyone supports this motion, and I then hope that we do something about it.

Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Highwood to close debate.

Mr. Groeneveld: Thank you, Mr. Speaker, and thank you also to everyone who participated in this evening's debate. It has been very interesting to hear the thoughts of the legislative members regarding the important issue of interprovincial beef trading, and I'm pleased to be given the opportunity to address some of the concerns and comments that the members across brought up.

Specifically to the Member for Edmonton-Gold Bar, I'd like to thank you for the support, to begin with. When we talk about CFIA, as we know it today, I think that it was established in 1997, and one of their first mandates was to move forward on these type of issues with the meat and some of the other issues with livestock of various kinds. They're just the ones that we have to prod into action. I think it was brought up across the floor; they talked about this, about getting to work on some of this stuff. I think that they're the ones that we have to motivate somehow or other. I think that the provinces would come onside fairly quickly.

As far as Edmonton-Gold Bar's talk about whether he longs to call it blue tape or red tape, I think that the tape all belongs at CFIA at this particular time.

The other issue that he brought up was getting a hundred per cent support back for the American market, which would be a wonderful thing. I hope that that happens someday, but I think that for animals over 30 months of age this is going to be a pretty difficult situation. The member over here just mentioned about R-CALF; they've got the scare on there. So probably it's more important for us to concentrate on the Asian market: Japan, Taiwan, South Korea, those ones.

He questioned some of the plants. I think that there are only two federally inspected plants in Alberta besides the two big, international companies that we have here right now.

I think that the Member for Edmonton-Beverly-Clareview, although he and I don't agree on the Wheat Board, we seem to agree on this, which is quite refreshing. I guess the drop in the herd right now is partially because we had such a tremendous buildup of those cattle over 30 months of age that were retained on the farm, that are slowly now disappearing. Thus you see the numbers dropping. Also, in the meantime, because of the BSE crisis so many of what we may call the old boy ranchers have just plain got out of the business, and this further dropped the herd. Yes, it is going to be a bit of a challenge to bring this herd back up, but I hope that this type of motion, if we could get this moving, would start the process.

I did want to comment to you as well about the legislative changes at the CFIA. We have to perhaps initiate this, and I hope that we can move forward on this motion and do that.

I would like to thank the Member for Calgary-Currie for his

support. Indeed, we want to keep our value-added stuff here, and it just makes – I guess we're overusing today the words common sense, but that's what we have to do.

I thank all of you people for participating.

Mr. Speaker, Motion 512 is an issue of great importance for Alberta's agriculture industry, and I'm pleased that there were so many insightful comments given regarding Alberta's current situation. The BSE crisis that occurred in 2003 was very hard on Alberta producers. We know that. As was discussed, the closure of United States and other international markets was very damaging to producers and the industry as a whole. By urging the government to work with other provincial governments as well as the federal government to standardize health and slaughter protocols, Alberta could further support beef producers in expanding their markets for Alberta beef. One standard between the provinces would assist the beef industry in shipping their products more efficiently and with greater simplicity. Alberta is Canada's number one beef producer, and the trade of beef products contributes a great deal to this province's economy. Encouraging interprovincial trade by creating one standard countrywide would be beneficial to all Albertans.

Again, I'd like to thank all members for their participation in this evening's debate, and I would ask them to please vote in favour of the motion. Let's kick-start this thing.

Thank you, Mr. Speaker.

[Motion Other than Government Motion 512 carried]

head: 8:50 **Committee of Supply**

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, before we proceed with the Committee of Supply, I'd just like to remind every member of the comments that were made by the Speaker earlier this afternoon. We are beginning Committee of Supply at 8:51, so the earliest vote that we could have, unless there are no other speakers, would be at 10:51. Okay?

An Hon. Member: Unless there is no one who gets up to speak.

The Deputy Chair: Unless there are no further speakers, yes.

head: **Supplementary Supply Estimates 2006-07
General Revenue Fund**

The Deputy Chair: So, hon. members, I believe we have an order in which we're going. Okay. We'll begin with the hon. Government House Leader.

Education

Mr. Zwodzesky: Thank you. Mr. Chair, as you know and as all members here know, our students definitely benefit from one of the best education systems in the entire world. Thank you for that applause, hon. members. Alberta Education also enjoys one of the highest levels of investment in its students and teachers as compared with all other counterparts right across the dominion. As further proof of this tonight I'm pleased to comment on the supplementary estimates for Alberta Education, totalling an additional \$293.3 million for our school-related needs, bringing our total voted expense for the '06-07 fiscal budget to about \$5.6 billion. [some applause] Yes, thank you for that as well. It shows you how deeply we do value our K to 12 education system. In fact, this amount includes funds received through the Alberta school foundation fund,

or what we commonly refer to as education property taxes, that help support our K to 12 education system in Alberta.

The specific increases I'm asking for tonight include \$52 million more for operating grant support to public and separate schools and \$241.3 million more for school facilities-related expenses. Mr. Chair, the \$52 million in operating support can be broken down into supporting four very important initiatives. Specifically, \$16.5 million more will provide school boards with a 1 per cent increase in their base instruction rates. This increases the base instruction grant from \$5,087 per student in '05-06 to \$5,291 per student in '06-07.

As well, \$5 million more will be provided to school boards to accommodate the increasing number of students with severe special needs. This translates into a total 6 per cent increase in funding for all school boards this September for students with severe disabilities.

As well, \$2.5 million more will allow us to extend the funding eligibility for students requiring English as a Second Language programs beyond five years. We've seen a very exponential growth in the need for ESL services in various parts of the province but particularly so in the Calgary and surrounding area.

Another \$28 million will support the small class size initiative to help school boards retain the 1,685 teachers already hired under this initiative, and it also allows school boards to hire yet another 800-plus new teachers this September. The expectation, of course, is that school jurisdictions will reduce their average class sizes to those recommended by Alberta's Commission on Learning, and I do mean reduce to that number within the three-year time frame set by our government on a jurisdiction-wide basis.

Now, to comment on the \$241.3 million of this supplementary estimate, let me say this. This amount will address the cost pressures related to school buildings, and here is how this amount can be broken down: \$9 million more will be added to provide school boards with increased plant operations and maintenance funding for the '06-07 school year, bringing our total investment in plant operations and maintenance funding, or what we usually refer to as PO and M, up to \$404 million for the '06-07 fiscal year. As well, \$119 million in additional funding will be used to increase infrastructure maintenance and renewal funding for school boards. This money can be used to replace floors, ceilings, roofs, boilers, mechanical systems, and so on, as well as for improvements to school energy efficiency. This, in turn, can of course reduce cost pressures associated with operating older school buildings.

Mr. Chair, our IMR, or infrastructure maintenance renewal, funding will increase from \$48 million last year to a whopping \$200 million this fiscal year, a significant investment to ensure that health and safety concerns are addressed where our students are concerned. As well, \$72.3 million will be provided for new schools and new school preservation and modernization projects as so-called kick-start funding and in order to address urgent school facility needs in our province. This will help provide an additional 130 new steel-frame modular classrooms as well, and we can also help with the relocation of 45 existing portables to communities in need around the province. In addition to that, \$41 million will address cost escalations for previously approved school capital projects. The competitive construction market has resulted in rising costs over the life of all of these previously announced projects, and we want to ensure that the rising costs of construction are addressed with these additional escalation dollars.

I'll just wrap up by saying that new school construction and major modernization of existing schools are both of critical importance to our school jurisdictions right across the province. I will be announcing some specific allocations very shortly in that regard which will be based on emergent needs that address the health, safety, and other concerns that our jurisdictions are facing.

I want to briefly comment also on the schools for tomorrow plan that will serve as a guide for decision-making over the next five years for new school constructions, modernizations, modulars, and other school construction-related projects. I will have the schools for tomorrow plan completed later this fall, as has been indicated by our Provincial Treasurer, and it will be a very detailed long-term plan outlining where schools are needed, in what amounts, what sizes, and address which grade levels.

Now, I'll end just by saying a couple of brief things. The funding that's contained in tonight's supplementary estimates is a very, very good start. They are in addition to the \$207 million that I announced in September of last year for new school construction projects, modulars, and so on. That all combined will bring the total to almost half a billion dollars in new funding committed for school infrastructure over the past year alone. I think this is a good demonstration of the commitment we have to this particular issue.

School boards told me that they are facing challenges in preparing their '06-07 school year budgets, and with an unanticipated surplus in government's revenues for the first quarter, these additional dollars will be provided to help them address those challenges. We've worked very hard over the summer, Mr. Chair, with school jurisdictions, with their chief financial officers, with school trustees, and the like. Our final school board funding levels will be of course determined after the final counts are taken at the end of September, but these dollars that we're announcing over the summer and confirming, I hope, and approving tonight will help alleviate those problems that they had flagged for my attention.

I'm proud to say that when our students return to their classrooms over the next several days, they will on average experience smaller classes. There will be additional base instructional dollars to support the classrooms. There will be more funding to support special-needs students. There will be more programming for ESL students. There will be additional planning initiated for new school constructions. There will be more monies and more planning possible for major modernizations of other schools, and additional classroom spaces will be available as a result of new steel-framed modulars.

Thank you for this opportunity to briefly comment. I'll now look forward to others commenting as well. Thank you.

9:00

The Deputy Chair: The hon. Member for St. Albert.

Mr. Flaherty: Thank you, Mr. Chairman. I would like to start by just looking at the minister's figures here for a moment. I assume that the \$28 million for the class size initiative so that school boards can hire more teachers – it's a total of \$154.3 million. Maybe you could clarify that for me.

Mr. Zwozdesky: Yeah. It's over and above what was in the budget originally.

Mr. Flaherty: Yeah.

Let's see. The infrastructure and maintenance renewal program was 119 million plus dollars. I have \$351 million now for the total amount.

Mr. Zwozdesky: A hundred and nineteen million plus \$81 million.

Mr. Flaherty: Oh, \$81 million. Okay. I think that's what it adds up to.

Mr. Zwozdesky: Yeah. It adds up to \$200 million.

Mr. Flaherty: Yeah. Thank you very much.

Mr. Zwozdesky: That's IMR.

Mr. Flaherty: Thank you very much for that. I appreciate it.

You know, you look at the direction that Alberta Education sets for the school systems. One of the key things it says: "Allocate funds to school boards." I think what we've gone through here is an exercise of three different budgets, if you will: the one in the spring, the one early in the summer, and now the present one. It suggests a kind of difficulty in dealing with the question of dollars and helping school systems get on with the tasks that they are faced with.

The minister was suggesting that he met with a number of school districts. I had the honour of doing that this summer, and I particularly speak of my own riding in St. Albert, where we find that one of the things that they are very much faced with, especially our high schools in St. Albert, is the credit enrolment unit. The minister's department set out to do an audit of this particular system on how it operated, and the timing and the planning and the way that audit went has really had impact on our high schools. In fact, both high schools in St. Albert will have close to a million dollar loss of dollars this next year, which is going to impact how they deal with their student populations.

The other aspect that's been significant there that's been brought to my attention is the class size initiative of 27, and they feel that this is a very difficult thing to hit and that it will be difficult to operate or make work well in their particular school situations.

The other thing that we're facing in our school systems in St. Albert is that one of our high schools has a difficult plant situation, and it does affect the program offerings that it's limited in offering.

So we have our high school systems in St. Albert facing some very difficult times in terms of funding this next year, to the point of being in deficit positions.

The other aspect is in the elementary and junior high schools. In one system we have 39 aides being let go. In fact, I visited one of the schools and met a mother with a child. Unfortunately, next year she'll have an aide only halftime whereas this last year she made wonderful progress and had a full-time aide. So this is having an impact on us.

The other thing I was kind of hoping for in this statement was some plan or some initiative on the unfunded liability for teachers across the province.

With that, Mr. Minister, maybe you could comment a little later, if you would. If you don't want to, that's fine too.

Now I'd just turn again to maintenance. Any additional funding that the minister has talked about is very welcome. However, it is doubtful that an extra approximately \$232 million plus \$119 million, whatever that adds up to, will address the infrastructure and maintenance needs of schools in the province of Alberta. Delaying routine maintenance and major repairs increases the cost to Albertans in the long run. Following the completion of the school evaluation project in 2001 there's a one-year jump in capital spending on schools followed by a return to the status quo. This suggests to me that the government recognizes the severity of this problem but is unwilling to commit a long-term solution to it. The Alberta School Boards Association, ASBA, noted in their report *Missing the Mark: Alberta's School Building Deficit* that while \$2.62 billion of capital spending was requested by school boards in 2005, only \$0.2 billion was awarded by the government. In 2005 the Calgary board of education calculated its total cost of deferred maintenance using data from Alberta Infrastructure and Transportation at \$426 million, up from a calculated \$322 million in 1999 and 2000, and this was adjusted for inflation and aging. Alberta Infrastructure and Transportation's business plan for 2006-2009 notes that 45 schools require major repairs and upgrading to comply

with the minimum standards and that 530 schools have aged to the point of needing major refurbishing to remain functional.

Can the Minister of Education suggest a timeline for completion of major repairs needed to bring Alberta schools up to minimum standards? What is the Alberta government's long-term strategy for paying down the deferred maintenance in Alberta's schools, and is the government taking steps to ensure that schools that were rated as being in good condition in the school facility evaluation project in '99-2000 are not requiring greater maintenance presently, presently meaning now? Will the government create a specific fund for emergency maintenance projects to ensure that something like the closure of Marlborough school in Calgary-East, which closed because of fears that its roof would collapse and injure students, does not happen again? Will the government commit to immediately funding upgrades to schools that present a threat to students' health and safety due to mould and faulty roofs, et cetera, across the province?

Now, let me just comment if I can on capital spending on construction. Because of Alberta's hot economy many people are immigrating to the province each year, creating immediate and also long-term demands because of the concurrent baby boom. This reality necessitates the construction of new schools to address population growth and to stimulate emerging communities. Alberta has not adequately budgeted to meet these new demands. Calgary has 40 new communities. The Calgary board of education requested funding to build 24 new schools in its most recent three-year plan at a cost of \$282 million but was awarded only \$12 million, enough to build only one new school. In 2005 school boards requested \$2.5 billion in funding in their three-year capital plan, but the provincial government allocated only \$833 million for capital spending on schools over the next three years. That is \$1.7 billion less than school boards required. The government has now allocated \$1.3 billion and \$1.2 billion less than what is required.

Capital requests by school boards have doubled within the past few years: \$1.37 billion in 2002, \$2.5 billion in 2005. This suggests that failure to provide adequate funding does not cut costs but, rather, defers expenditures to later years. The question is: will the Alberta government recognize that quickly growing centres require new schools to ensure that emerging communities are successful? Is the government prepared to assist parents and school boards with the increased costs of busing for as long as it takes to build neighbourhood schools in various communities, such as Calgary? It really begs the question: does this government recognize the importance of neighbourhood schools? I don't really know, and I don't see any really solid plan that suggests that they do.

Special needs. Let me just touch on special needs for a moment. The Alberta Learning Commission pointed out that in 2003 the number of students with severe, moderate, and mild special needs had gone up quickly in the past 10 years. They estimated that between '95-96 and 2000-01 the number of children with severe special needs went up 64 per cent and that the number of children with mild to moderate special needs went up 140 per cent. This suggests that additional support and funding are needed to ensure that the needs of all children are met.

9:10

So what is the status, I'd like to know, of the pilot project going on in 27 school districts that explores a flexible funding model for project unit funding, and what is the government doing to ensure that the needs of students with mild to moderate special needs are met? The example, again, is the one I gave in St. Albert. Will the government consider funding students with mild to moderate special needs in grade 1 individually rather than through block funding, as

recommended by the Alberta Learning Commission? Will the government look at expanding PUF to grades 1 and up, particularly for those children who need assistance and have not taken any assessments because they haven't experienced kindergarten or an early childhood experience? That's a question. I think assessment is very, very important for kids starting off well in school.

The class size initiative is a good one, and we'll hope that it does relieve some of the problems across the province. I think it also will hopefully help schools better adjust to better teaching and learning.

I'll leave it at that, Mr. Chair, and hopefully I can get some answers. Thank you very much.

The Deputy Chair: The hon. minister.

Mr. Zwozdesky: Thank you. I'll provide a couple of quick answers right now, and then I'll do the rest in writing so that other members can have a chance to speak.

The \$154 million total for the class size initiative is correct when you include the additional \$28 million that I'm asking for tonight. The additional \$119 million for IMR, infrastructure and maintenance renewal, coupled with the \$81 million that was approved in the May budget will take us to a total of \$200 million.

Just in general, hon. member, there are three envelopes involved with the infrastructure piece. Let's say that the first one is PO and M, plant operations and maintenance. That will experience a \$28 million increase, to a total of \$404 million. IMR, infrastructure and maintenance renewal, will increase by \$152 million from last year, up to a total of \$200 million this year, and the school construction budget envelope, the third one, will increase by about \$195 million this year, to a total of about \$372 million. I'll just confirm some of that back in writing because I'm going by memory a little bit here.

Quickly, on the CEUs the rules are very clear, hon. member, and all school principals know them as do school superintendents and school board trustees and so on. Basically, we're asking that students enrolled in the high school courses have the prerequisites that are required, that they attend at least 50 per cent of the classes, that they achieve a mark of at least 25 per cent, that a certified, accredited teacher is present, and so on. If some of those criteria aren't being met, then that is something that every school principal and every school superintendent and the school boards must review. And that's all that we do. We do about 23 on-site audits and about 200 paper audits, so we're trying to get the system to abide by all of those rules.

I'll comment in writing later, Mr. Chair, with respect to the maintenance issues, the three-year capital requirements of the boards. I understand the figures you've given, but those aren't all requested in one year. They're requested over a period of three and sometimes four and five years. The schools for tomorrow plan that I alluded to earlier will address exactly what you're talking about, and I think you'll quite enjoy reading that.

Issues to do with quick growth communities will be addressed.

Busing costs. We just added several millions of dollars to that, but I think the major problem that school boards are facing is the fact that you can't get as many people to drive buses today as they could, say, a year ago, and that's not just in the school system, hon. member. That's also in many other industries that rely on busing.

Special needs I've already addressed.

The unfunded pension liability we will chat more about.

With respect to the specific point you mentioned about aides being let go in one school jurisdiction, I'd like to see which school that is, because I think that with the additional monies they should be able to retain most of those. At least, let's hope that's the case.

Mr. Chair, I'll take my seat so that other members can get their

comments and questions forward, and the questions I didn't address for the hon. Member for St. Albert I will undertake to address in writing at a later date.

The Deputy Chair: The hon. Member for Edmonton-Beverly-Clareview.

Mr. Martin: Thank you, Mr. Chairman. I will try to be relatively brief. [some applause] I appreciate that. Whenever I can get applause, I'll take it for whatever reason in this House, right?

I want to make some of the same comments I made about Health, Mr. Chairman. Certainly, this \$232 million is needed. I don't think there's any doubt about that. The \$61 million that is going into the schools is needed. Now, whether it's enough or not, that's a debate that we can have. But I think the important part about it is – think about this, Mr. Minister – that we brought in a budget in March, we passed it in June, and now we're coming back for another budget in August. It's nice that this money is coming, but it was surely predictable that we needed this money back in March.

This is what is so frustrating. The budget that we passed in March really doesn't mean much anymore. [interjection] Well, in May or whenever, but we brought it forward in March. I remember asking questions in the Legislature, and I know that the Official Opposition did. We were hearing from school boards, the rest of it. The problems were there. I guess I'm just saying: why couldn't we have dealt with them then, when we knew that it was going to occur, rather than have to do it now in supplementary estimates?

Don't get me wrong; I'm glad for some of the money because I was one pushing for it, as the minister knows. We take it this way if we have to get it this way, but it makes it very difficult for the boards to budget because they took these teachers, I know in most jurisdictions, and already they had laid them off because they had to do that with the money that they were accruing. Then all of a sudden there's money there later on. Now they're going to have to hire them back, and some of those young teachers will not be there. So it just doesn't make much sense to budget in this way.

The budget should be there in March. It makes sense to know what's occurring. We know that we have a huge infrastructure deficit. We know in Edmonton public that half our schools are 50 years of age or over, and I think Calgary is the same way. We know these things, so we should be budgeting for them in the proper way rather than hit and miss.

Again, Mr. Chairman, don't get me wrong. The money is needed. The money is needed, and we certainly support it, but there's got to be a better way to do this. The school boards have to have more ability to plan their budgets. I know that some of them are scurrying around now trying to bring back some of those teachers and teacher aides and the rest of it that they've lost. They may not be there. Wouldn't it have been much simpler to keep these people and not lay them off, because they knew the money was coming at that particular time? So I just say that we've got to learn from this that sort of crisis budgeting is not the best way to do it.

We look at the maintenance. I'm glad that there's more money coming in, but the numbers – you know, we can talk about big numbers, but it always comes down to what's happening at the local level. The Alberta School Boards Association identified a need for more than \$2.5 billion in capital investments in their three-year capital plans, and for the same three-year period the government allocated \$833 million, which is 32 per cent of what the school boards need. Now, even the new funding announced in the supplements here, an extra \$463 million of capital investments for school maintenance, is still only 50 per cent of what school boards need. I mean, it's a start.

All I'm saying is: why can't we work this out in the budget over a three-year period of time to match what's actually going on? We don't save money. I know that the minister knows this. We don't save money by waiting, because the costs just get worse. The roofs are in worse shape. The gyms are in worse shape. I know that in Calgary Western and Ernest Manning, in which I used to be a counsellor and coach, you know, they can't even have their gym classes when it rains. So that ends up costing us more. Of course, I know that the construction costs are greater because of the overheated economy. But we just have to, I think, budget differently, make our annual budgets mean something and look at a three-year plan to cover the deficit.

9:20

Mr. Chairman, there are just a couple of other things I want to talk about. I want to say to the minister that I am very disappointed that we did not deal, as the Learning Commission suggested, with full-day kindergarten and junior kindergarten in high-needs schools. We have examples across the province, but again I'll talk about where I know of the most and the member's statement from Edmonton-Mill Woods about the city centre project. I was the trustee in that area, and I know the good work that was going on there and in some other schools also.

Nobody said that it had to be across the board to all schools at all times right away – maybe that wasn't even feasible – but it's absolutely so crucial in those high-needs schools. If we don't get those kids at an early level, we will lose them, and we'll pay the price down the way. We talk about our high school dropout rates; there's a good reason right there. One of the quickest ways that we can do it over 10 years is do the job at the early levels. The city centre project was set up through AISI and was a pilot project, but it seems to me that when something works and is documented as well as this is, junior kindergarten and full-day kindergarten, we should make it part of the system rather than saying: well, the school boards can do this if they want. They take it out of other instructional dollars.

I would honestly suggest that over the long haul that would save the government money. I really say to the minister: I wish that they would relook at this whole area of junior kindergarten and kindergarten. I think it's absolutely crucial in certain schools in Alberta, and if we don't get it, we'll pay the price. You know, it's the old advertisement: you can pay me now or pay me later.

We'll see what the school fees are like. One question, and he doesn't have to answer it here but maybe, as he said, in writing. The Learning Commission also talked about the fees, and I know that the minister has talked about that and I believe that there's some commission looking at this. The minister is reviewing the fees. I guess I'm wondering when. The latest I have would be sometime in the fall, but if he can give us an idea when we might look at that because fees are becoming a major obstacle for people with modest incomes. There are a lot of things that I would consider essential that are being charged in fees. So that's a very important issue, I think, for the minister to look at.

School dropout rates. Alberta is not doing well there, and the minister knows that. There has been a slight improvement but not nearly enough. I guess I would come back and say about that that one of the quickest ways 10 years down the way will be, as I said, to deal with kids in the high-needs areas. The other point I would make is that there are figures that I've pointed out before about high school counsellors. Now, maybe I'm biased, having formerly been one when I had a real job, but librarians and those sorts of people: there has been a tremendous drop at least in Edmonton public, and I expect that it's true throughout Alberta. It seems to me that if

we're looking at one of the reasons for our high dropout rate in this province, it might be for that reason because that's what counsellors and certainly librarians did.

We know, for instance, that if a kid is going into high school and they're one year behind in their reading level, the chances are they're going to be a dropout. The odds are pretty good. We know. Those are the facts. I think that's what we may begin to look at, that whole area, Mr. Chairman.

I just want to come back – and the minister did reply – and talk about school utilization. This is again going to be a major problem. In a letter that he wrote to me – I guess I got it on June 29, and I appreciate the letter back. I was asking about the utilization and how other provinces handle it. The minister says: this is done using different approaches, including leasing space for other community services, rightsizing of facilities by relocating attached portable classrooms, and as a last resort the closure of schools. Well, I want to stress – and I was there in Edmonton public – that the closure of schools seemed to be the first resort, and it was encouraged by the government, not so much this minister. The impression was: look, if you want to get a new school out in the suburban areas, you'd better close down the schools in the inner city. They played off one part of the city against the other, and it's unacceptable, Mr. Chairman. The use of portable classrooms and many other things are good ideas, but I think there are some things that we have to look at.

I pointed out about Ontario: they've changed it around. They've taken the position that the education program needs of students must take priority over decisions concerning school buildings. I honestly suggest that it's the other way here still unless we're going to change this. One of the things that they do is that they make it very clear that you cannot close a school down to get another new school. There may be a reason eventually for closing a school down, but the two shouldn't be related. We have done that in Alberta. The previous minister made that very clear to the boards. That's why he had a rush of inner-city school closures. It's wrong. It's the wrong way to go about it.

We have to look at other uses for the community, too. If there's something useful going on in the schools that's beneficial to the community, why can't that be part of the utilization rate? We've talked about the old schools and how unfair that is. I know the minister is aware that we count halls and washrooms and everything else as space. We don't give enough coverage or enough utilization for special needs and the rest of it.

Now, I believe the minister said that they were going to relook at this whole process on utilization. Again, I'm wondering when we might look forward to hopefully a more enlightened policy coming on the whole utilization. We see all the schools up in Edmonton public again on a watch list, you know, all in the inner city. As I say, the process is ugly. I've been through it as a trustee, and I've been through it as an MLA. The parents feel violated, as you know, and it just doesn't work the way we're going. So I think we really have to take another look at the whole utilization. I think this would be true of rural Alberta as well as urban Alberta.

Mr. Chairman, there are a number of issues – we could go on forever – but I'll just reiterate what the Member for St. Albert said. Finally there's acknowledgement by the Finance minister that a nonfunded liability is a debt. At least, that's what I heard the other day. That's a new approach, I think, from the government. This debt will grow and grow and grow. I know that the minister is aware of this: \$6 billion now will be \$46 billion down the way if we don't do something about it. So I would hope that the government would be taking a look at that and working with the Alberta Teachers' Association to begin to deal with this unfunded liability. I'd rather try to deal with \$6 billion than \$46 billion down the way.

There are a lot of other issues that we could go on in education, Mr. Chairman, but time is short. We've got a lot of estimates. Thank you.

The Deputy Chair: The hon. minister.

Mr. Zwozdesky: Thank you. Mr. Chairman, there were a lot of comments and questions there and far too many for me to address in the time today if we're going to allow other members to speak, but I will just comment very quickly. Just for clarity's sake, one important issue is the date on which the budget actually was construed for '06-07, and the date it was passed, as you know, was in May. That's a critical date, hon. member. As you know, school boards don't send in their budgets to us until the last week of June. So we have a little bit of underlapping/overlapping in the wrong way here, and it's a challenge for us as well.

We go on the best projection estimates available from the school boards and based on our own tracking and so on, but there are other factors that impact that decision, Mr. Chairman. One of them, as I've referenced before, is the fact that teachers who are planning to retire aren't required to let the school board know until May 30 or 31 or something. Even if we could accelerate that frame by about a month or even two, that would help school boards with their planning, which, in turn, would help us a lot. I don't want this to come down to a money issue, because I'm a former teacher and I respect the profession deeply, but the fact is that most school teachers who are retiring are in the upper echelon earning capacity. They're in that \$70,000 to \$80,000 range typically, whereas new teachers coming into the system are typically in around the \$40,000 a year mark. So it makes a difference. I think we can all do the math and understand that. Budgeting is difficult both ways.

9:30

The bottom line to it all, hon. member, is that the school boards' final budgets are set, and we agree to them around about the end of September. There's always a little bit of movement and overlap because that's when their school year is only one month old whereas we, at that point, are seven-twelfths of the way through our budget already, but we have to do the best we can with the information we have.

With respect to the cost escalations I'll make this comment, Mr. Chair: it's important to realize that cost escalations were already built into the '06-07 budget passed in May, but they were predicated on information we had going into the January, February, March period of allocations. Had we known that costs were going to jump again during the months of May, June, and July by another 15 to 20 per cent, obviously we would have addressed it earlier. That's one reason why we need your support for supplementary estimates tonight. Previously approved projects alone require \$41 million in cost escalations just over the past couple months. It's happened so quickly. We don't want to abandon those projects already announced; we want them to continue on, so I need your support tonight for \$41 million to continue those projects.

With respect to the high needs for schools. You know, hon. member, funding is available for students enrolled in recognized ECS programs. When you talk about the capital city centre projects, those three schools and so on which we've talked about before, all that has to happen in that case is that they just simply have to apply to the school board and have those students registered as mild- or moderate-delay students in the special-needs category, and they will receive the funding. We provide funding for recognized programs. Okay.

Now the junior K program is a separate issue, and I understand

that. It ties in somewhat with what you're saying. But if there are high-needs students, if they are so-called at-risk students, and they're in that mild/moderate delay category, they can and should be receiving funding. If those folks who are running that project wish to approach the school board, they can do that.

School fees. That report should be coming forward in the next few months. I'll comment more in writing. I'll just remind everybody about the high school completion symposium, which will address the dropout rates. That will occur on September 24 and 25.

Other stuff to do with utilization, unfunded liability, and so on, Mr. Chair, I will address in writing so that we can have other members take the floor and offer their comments and questions.

Thank you, hon. members.

The Deputy Chair: The hon. Member for Edmonton-Gold Bar, followed by Edmonton-Mill Woods.

Mr. MacDonald: Thank you, Mr. Chairman. It's a pleasure to get an opportunity to participate in the discussion here on the supplementary estimates for Education this evening.

Certainly, one welcomes this money. One only has to visit a public school anywhere in the province to see that it is needed. It is mind-boggling, to say the least, that in June teachers and support staff were being laid off. Everyone was very concerned – parents, trustees, and members on this side of the House – but the government at that time failed to recognize the funding shortfalls. This is welcome at this time, but hopefully we will have better planning, and we will have a better budgeting process in the future.

I don't know what sort of contingency the hon. minister is building into his budget. Certainly, everyone seems aware of the cost overruns that are happening in the province. We only have to look at the bridge construction on the ring road in the south end of the city. I mean, last year there were significant cost overruns that were acknowledged by the former Minister of Infrastructure and Transportation in this House, whether it was fuel, whether it was cement, whether it was labour costs. This is not new, and I'm astonished that this is not built into the budget.

Specifically, we look at school maintenance projects, and let's just pick our own neighbourhood in the constituency of Edmonton-Gold Bar. The minister's a very busy man, and I was pleased to hear that in June he, along with trustee Hansen, toured the Holyrood elementary school, which was a receiving school after this government, a former minister, forced the school board to close other public schools. After those schools were forced to be closed, Holyrood, of course, was one of the so-called receiving schools.

So the schools were closed. It was an exodus. The parents that had any confidence left in the public system enrolled their children in schools like Holyrood. It got so crowded, Mr. Chairman, that there had to be two assemblies because the student body was too large to have one assembly in the gymnasium. They had to go at separate times. There were issues of mould. There were issues of inadequate plumbing. There was a long list of repairs needed to be done to that school. Now, the hon. minister has toured that school. Hopefully that school – and it needs close to \$5 million to bring it up to today's standard – is going to be included in this \$232 million budget for upgrades and renovations. While we're at it, there's Capilano elementary. There's Gold Bar elementary. They were bumped down the list here. They both need over a million dollars in upgrades. What's the status on those two schools? Is there going to be any change in how they may be viewed?

Certainly, this government cannot force the closure of anymore neighbourhood schools. It has gone on long enough; it has gone far enough, and it is about time that we reinvest in neighbourhood

schools, whether it's Capilano, or Forest Heights. We look at McNally senior high which is jammed to the rafters. I don't know how many more symposiums and more studies we need to do on our high school drop out rate, but just tour the school. Grade 10 students – if they're feeling in any way alienated, if they're feeling in any way that they don't fit into the school, they're lost in there with that large, crowded school. They can get frustrated, and of course they may not last through grade 12. I would like the hon. minister to let me know, please, what's going to happen with the upgrades that are needed at McNally senior high.

We look at the separate system. Austin O'Brien needs repairs. St. Brendan. There's probably not a school in a mature neighbourhood of the city that does not need upgrades and renovations. If we can find millions of dollars for other school boards, we can find adequate money to upgrade all the neighbourhood schools in both the public and separate systems in this city. Certainly there is a long list here. There's Ottewell junior high. There's Fulton Place elementary, which certainly needs work. Clara Tyner needs some work. The Gold Bar community would be no different than any other neighbourhood. I would really appreciate it if the minister could update the constituents of Edmonton-Gold Bar. Whether it's at a later date by a letter, that is adequate, but I would appreciate a detailed explanation of which of these additional dollars is going to the schools in the constituency of Edmonton-Gold Bar.

Thank you very much.

9:40

Mr. Zwozdesky: Again, Mr. Chairman, I won't take much time. I'll respond in writing so that others can get their questions onto the table. Let me just say, first of all, that I appreciate the comments about one welcoming these monies or whatever. I think the other previous speakers mentioned that too. I thank you for at least acknowledging that these dollars that we're injecting tonight are needed dollars and that they will be appreciated. I know that some additional dollars are still needed in other areas, but this is what we're working with. I'm pretty proud of the fact that we've got it, frankly, so thank you for acknowledging that.

The budgeting process is difficult; it is complicated. Let me just remind members here, Mr. Chair, that Alberta Education is essentially a flow-through agency, if you will. I'm not sure if that's the best way to describe it, but let me put it this way: we put out to school boards 98 per cent of all the monies that we get. We retain a very small percentage ourselves for curriculum development and the Learning Resources Centre and our own staff and travel costs and so on, but 98 per cent of our total budgets flow out to the locally elected school boards. As you know, we're dealing with about \$5.6 billion in total, so that's a huge amount of money that is going out there.

I will again reiterate that cost escalations were not all known at the time that, you know, the budget was brought in, and the reason for that in part – and I should have mentioned it in response to Beverly-Clareview and his questions – is that projects get tendered at different times by the local school boards. So they don't all get tendered at the ideal time for all budgeting purposes.

You asked the question about Holyrood being one of the receiving schools. I think the hon. member would agree that Holyrood is one of the absolute best schools in all of Alberta in terms of its output. There are many schools who do an incredible job, but Holyrood happens to be one that I'm intimately familiar with, having visited it, oh, probably 100-plus times over the last few years. I know that it's a receiving school, and I know that it has some issues, as does Balwin, as do others.

Your specific request, however, with regard to McNally, Austin

O'Brien, Ottewell, Fulton Place, Clara Tyner, and others. The first thing we'd have to do, hon. member, is take a look at the boards' three-year capital plans and see where those projects are in their plans. But let me say this. IMR dollars, infrastructure maintenance renewal dollars, that have just been increased, I hope tonight with your approval, by another \$119 million will go a very, very long way to helping some of those difficulties that schools such as those you mentioned might be having. Again, I'm not sure.

For example, in the case of Edmonton Catholic schools their IMR dollars will go from \$231.5 million last year up to \$253.8 million this year, and that's just for that one envelope, infrastructure maintenance renewal funding. Edmonton public will go from a grand total – sorry; hang on here. That's grand total funding. My apologies. IMR funding: I have to restate this; I'm sorry. The grand total for that school board, all of its funding – my apologies – will go from \$231.5 million up to \$253.8 million. The IMR goes from \$2.7 million up to \$12 million just in IMR for that envelope. Similarly, with Edmonton public they were receiving \$6.9 million in IMR funding in '05-06, and they will now be receiving \$30.8 million. I mean, it's a huge jump. So, you know, we can't address them all in one fell swoop, but that's a huge jump. Their total budget will go from \$567 million up to \$625 million, so they've got a lot more money to work with and a lot of flexibility.

I beg to differ. I don't think we're forcing any closures, hon. member. I think what we're trying to do is take a long-term view of this situation, see where it is that steel-framed modulars, which are mould resistant and have a much longer life span, can be moved around. They're wonderful. I just toured the facility here a couple of weeks ago down in Crossfield, Alberta, and they're amazing – absolutely amazing – units with steel-framed floors, steel-framed walls, steel-framed roofs, the whole nine yards. They're just real works of art. That factor along with the IMR dollars will help bode us very well, and hopefully more schools will be able to be preserved or added to or modernized or whatever. The schools for tomorrow plan that I referenced earlier, which I will have completed later this fall, will address that as well. Mr. Chair, we don't want to wind up in the end with a whole bunch of new schools that are only going to be 40 or 50 per cent full, and in the meantime the older schools are also only going to be 40 or 50 per cent full. We want to find a better solution than that.

I'll take my seat now and let other members get comments and questions on the record, should they wish, and I'll undertake to provide Edmonton-Gold Bar with additional written answers to the other questions he asked.

Thank you.

The Deputy Chair: The hon. Member for Edmonton-Mill Woods, followed by Edmonton-Calder.

Mrs. Mather: Thank you, Mr. Chairman. I'm really pleased with this additional money, and I'm very pleased with the comments that you're making tonight in terms of long-term vision and planning. I am concerned that in 2005-2006 \$81 million was budgeted for infrastructure and maintenance renewal, and the supplementary budget funding right now is almost three times the entire original budgeted amount. You're right; that's a huge jump. To me it suggests poor planning. We've got to get a handle on things.

I know that schools have been through years and years, since about 1992, of government releasing money too late and in bits and pieces. The figures used to be released in January-February, and now it's as late as April-May. In the last several years there have been summer announcements of money just like this year. This creates staffing decisions being made in late August, often after our

young teachers have left the province because we couldn't tell them that they really did have a job.

I know that in Edmonton public there were hundreds of teachers who were on probationary contracts last year and were recommended by their principals for continuing contracts because they are good teachers, but these teachers had to go through this summer not knowing if they would get their contract, and I suspect that some of them have left. Some of them are returning to work, but they still don't know if they have a contract. This anxiety is huge because it's about livelihood. It affects lives, and it affects families.

I know schools that let teacher aides go in June, and it may be very difficult now, even though we've got the extra money, to find replacements. People need stability in their lives. With the hot economy these teacher aides can go across the street and get a job with more pay and less responsibility. The reality is that they have to have that stability, so that concerns me.

Based on the budget schools have in April, they make plans for the following year. By the beginning of May, with students having generally concluded their registration plans, they put together master timetables. By the end of May schools declare some teachers surplus, and a process begins to plan for and place teachers for the next year. So teachers move, they change schools, and get placed as much as possible by the end of June. But that doesn't always happen.

To get money in August means that even if principals now open another position, they will not likely get back the teacher they had already lost and who has been placed somewhere else. The angst of waiting for placement for the teacher declared and moved to a new school has already occurred, and now principals have to take time to interview and go through that whole process to replace perhaps an excellent teacher that they would have preferred to keep with a possible new teacher now with limited experience. It disrupts teachers' lives, the schools spend time and money they shouldn't have to, and children and parents get upset because they were expecting so-and-so teacher, and that teacher is not coming back.

In high schools it may mean many hours of admin work modifying the master timetable. This will mean that many students will find that their timetable has changed from what they believed it was in July, and this can cause great difficulties, perhaps, in that they'll lose a course that they need for their postsecondary requirements.

I am concerned about that anxiety. I think it's unnecessary. If planning could be based on facts instead of guesswork, just like you say you have to do with your department, layoffs would be minimized and additional programs might even be planned properly. So why can't we do something about changing the timelines to accommodate schools? I don't know. Why is it like this?

9:50

The other thing I'd like to talk about: the recent addition of the 1 per cent of operating grants is really welcome. If school boards had known this would happen, it would have probably eliminated a lot of anxiety. But, you know, with the considerable increase in transportation budgets due to fuel costs and the rising costs of utilities, I'm told that it's likely the additional 1 per cent will allow schools to just break even. However, this is assuming, of course, that the three nonteaching contracts in Edmonton public school board, for example, will be settled at 3 per cent, like the ATA has already done.

Now, when I look at Mill Woods, as the hon. minister knows, the schools there are relatively new. They started in the 1970s. However, a number of them need modernization. But schools in older areas have greater needs.

The second major problem is that while the extra cash is welcome,

the funding isn't nearly enough to deal with the overwhelming maintenance backlog in this province. The injection is good news, but the extensive backlog at local schools is just going to be shaved; it's not going to be eliminated. We know that. What concerns me is that the longer we wait, it seems that the cost is increased. So things have been put on the wayside because of lack of funding over the last several years, and we're going to pay a greater price.

What we need is sustained funding over the long term, predictable sustained funding. Man, it just sounds so simple, I know. But it would make a tremendous difference. Costs are increasing for many reasons. The longer things are on hold, the more they will cost. Soaring construction costs and inflation-eroded dollars mean ballooning price tags.

When I look at Edmonton public school board's plans for major maintenance, I really appreciate the effort that's gone into identifying for consideration what needs to be done by receiving input from schools, from facilities staff, and from regulatory agencies. The needs and requests for school improvement projects continue to exceed available funding. The plan, therefore, has to reflect the district's highest need. This is where I go back.

Now, I'd just like to talk a little bit more about Edmonton-Mill Woods, which I know the minister is quite familiar with. I've got a number of schools, Lee Ridge, Tipaskan elementary, and W.P. Wagner high school, who are getting new roofing through infrastructure maintenance and renewal. J. Percy Page is getting flooring, upgraded sidewalks, and upgraded washrooms. Wagner is also getting asbestos abatement and replacement of some corridor walls. Edith Rogers is getting lockers replaced. I wonder what's happening with Holy Trinity. It's the same age as J. Percy Page high school. They must have enormous needs too. Frère Antoine elementary school is not wheelchair accessible. I know that from personal experience, but I've also had calls from parents who need to use walkers that can't get into that school. That concerns me. I mean, that's an obvious need.

In years 1 and 3 Hillview and Weinlos are going to be looked at, and that's good news, but several schools have to wait for years 4 and 6 for facility alterations or a review of program fit, you know, looking at program viability. These are good things. But that involves Grace Martin, Greenview, Kate Chegwin, Lee Ridge, and Malcolm Tweddle. These are some of our older schools in Mill Woods. It concerns me that this is all based on needs at this time. There's no crystal ball to tell us what might be needed down the road due to extraordinary circumstances.

I think the cost of defeating the debt for the deadline of 2005 has been enormous. We should have been maintaining schools all through the last decade. Surely this would have been more responsible and competent fiscal management, management that would better serve Albertans. Again, I say that we have to provide sustainable funding to allow schools to plan with confidence to meet existing needs and to maintain their schools and their programs.

I've got more that I'd like to talk to, but I'll wait for another time. I think I've said enough for now. I don't want to repeat a lot of what's been said.

The Deputy Chair: The hon. minister.

Mr. Zwozdesky: Sure. I'll be brief as well. Thanks very much for the positive comments. I have great respect for this member because I visited her school often, and we talked about education a great deal.

I'll just briefly say this: why did IMR, or infrastructure and maintenance renewal, dollars jump from \$48 million a year to \$200 million a year? The reason for that is because I happen to know some people who are in this business of property management, and

I talked with them over the past year, and some of my officials did as well. I can tell you, hon. member, that in many cases private industry tend to budget about 2 per cent per year for maintenance of their inventories.

Now, in the case of schools we have approximately \$10 billion worth of school infrastructure out there. So if you take 2 per cent of that, you'll get about \$200 million a year. If you take \$81 million that we had in May and add \$119 million, voila: you have \$200 million. So that's the formula I used to get to the \$200 million, and our caucus fortunately understood that, agreed with it, and we're asking for you to concur in it tonight. I mean, we take each year at a time, but that will do a tremendous amount of, as you called it, catch-up.

The issue of teacher stability and the budgeting process: I just want to comment this way. I know about the timetablings. I used to do them myself, and student enrollments and teacher retirements I've already commented on. But I want to correct one comment with respect to getting the money in August, as you said. No. In fact, I announced those dollars for the classroom on July 10, which is 10 days after the school year ended. It was as fast as I could get it out there and as fast as our caucus would approve it. We really did work hard to fast-track that, hon. member, so if it's some small consolation at least, you know that we got it out as quickly as we possibly could.

The 1 per cent increase in the base grant will help a great deal. That means a total increase of 4 per cent for the base grant rate alone right now, and that's a huge amount of dollars there. We are working very hard for this predictable, sustainable approach.

I think we've made some good progress toward that. Hopefully, we'll make more at tonight's vote, but it should set a good pattern for us. Let's not forget the fact, Mr. Chairman, that in terms of the new dollars that have been allocated for K to 12 education, the Learning Commission responses alone have necessitated a spending increase of approximately \$600 million and climbing so far, just for responses to the Learning Commission. You know yourself that when you're dealing with up to 90, 95 recommendations, you can't throw every single one of them into the mix all at once, or the system will reverberate on you, perhaps negatively, and we don't want that. We're trying to deal with this huge influx of dollars in a very sustainable and efficient way because we want the system to be built on as solid a foundation going forward as possible so that we don't face any of those backlogs later. Hence, I appreciated your comment about the long-term planning that we're doing.

The specific schools you talked about: Lee Ridge, Wagner, the asbestos abatement there; J. Percy Page, the flooring, the sidewalks; Edith Rogers, Holy Trinity. Let me look into those along with Weinlos. The one, however, that I'm going to ask my staff to get on immediately in the morning ahead of all those is the Frère Antoine school that you mentioned, which I think you said is not wheelchair accessible. I'll have my staff follow up with the public school board. Is that the public school board there? That's the Catholic one. Sorry. I haven't been there for a long time. But that Frère Antoine one, if it's not wheelchair accessible, as you say, then perhaps some of the IMR dollars will help get that done or perhaps the PO and M dollars, both of which envelopes have been significantly increased. I wouldn't be surprised if they have it on their list already, but we'll check on that very quickly and try and get you an answer soon.

With that I will cede the floor to others. Thank you.

The Deputy Chair: The hon. Member for Edmonton-Calder, followed by St. Albert.

10:00

Mr. Eggen: Thanks, Mr. Chairman. I just want to make some very

brief comments on the Education budget. Certainly, I would like to acknowledge from the outset that these dollars are very much appreciated by K to 12 schools all across this province. We were really in a dire circumstance in terms of school-based budgeting and school board budgeting across this province. I think this money came in the nick of time, and I do want to acknowledge that.

That being said, however, I would also like to I guess have some reassurance that perhaps we could get the budgeting process through in a more timely manner or at least so that something like this doesn't happen again. As previous speakers have pointed out, there was a very disruptive process taking place right across the province, where school boards were compelled to serve notice to hundreds and hundreds of young probationary teachers. This creates a destabilizing effect on not just the schools individually but also on the entire profession. It sends a message that these very qualified people are somehow less valued or not as capable, perhaps, of maintaining a full-time job. Teachers, especially these probationary people who have otherwise exhibited tremendous skill and ability to get to that position, are somehow being devalued and made to question the very profession for which they've chosen to study.

I would like to get some assurance somehow – I know you're explaining the timing, Mr. Minister, and I appreciate that – to look for ways by which we can have the timing in place so that someone can leave their position in June and have a sense that they will continue back in the fall or not. This was the way that it had been over the last 18 years or so when I was teaching, and obviously something has changed and not for the better.

Another point that I wanted to bring forward here this evening is just information suggesting that there's a wider problem with parents meeting the school fees. This is something that I'm getting in my constituency office more and more. I can compare from last year and know that it's increasing. You know, it's this whole thing of charging extra fees for textbooks and for different programs, for options, but these are not really options because, of course, everyone does need a textbook, and everyone does need to fill up their timetable. Students going to elementary and to junior high and high school are seeing fees that can range from \$100 to \$400 or \$500.

I have a survey of different schools here at different levels in Edmonton and Grande Prairie, and these fees, especially if you have more than one child in school, can be quite onerous given the other expenses that you will incur at the beginning of the school year. Again, I think this is something that I have seen increase quite dramatically over the time that I was a teacher and from the time that I, in fact, was a student. Obviously, we're downloading the cost of education onto the parents basically. This is not a way, at the very least, to encourage people to have children, and it is also discouraging and creating financial constraints and going against the spirit of public education in the broadest sense. Speaking out for my constituents, I would like to see some very specific attention addressed to increasing school fees over time, and I would also demand that we do in fact address that for the sake of public education in the most equal and accessible perspective that we can bring forward here from this Legislature.

Another comment that I wanted to make is that the Learning Commission's recommendation to establish junior kindergarten and full-day kindergarten has again not been met. I know that the evidence is overwhelming that this indeed would improve the quality of education and the success rate for students throughout the rest of their public education up to grade 12. We know that other countries, in fact, do this. These are also countries that we often cite as being, you know, perhaps our intellectual competitors, who are in fact educating their students to a higher level or creating more students into the postsecondary level, and certainly full-day kindergarten has a lot to do with that.

The program that my colleague had pointed out, the inner-city school program that Edmonton public was funding and having difficulty funding, is a good reflection of that. Certainly, if we have something that works, then why don't we extend it to the wider population and increase their success rate as well? It's important when you're talking about that inner-city program – I think that the hon. minister is somewhat mistaken in that these are not people for special funding, that we're not putting them as special-needs students. These are students that require extra attention because of other circumstances, not the least of which being lower incomes. Certainly, a lower income is not a qualification for special needs. It's a wider issue that we are compelled to address here from this Legislature.

The whole issue of class sizes I think needs to be monitored in a more specific way. I know that certainly with higher grades and the class size situation, there's been little relief in that regard. In fact, quite the opposite. The 10, 11, and 12 classes are getting larger. I guess that it's a frustration I hear from high schools. I think it's a reflection again of perhaps the need for a more particular accounting mechanism for us in regard to measuring class size across the province. Certainly, I think that we have the imperative to look at that here through this Legislature as well.

Finally, last but not least – well, sorry; second last but not least there is the issue of the unfunded liability. I know that crosses over to the Finance department as well. I think it's a good thing that we are seeing this entering the public debate. In the leadership as well I'm happy to see it. It's a simple accounting issue, whether you're willing to come forward with \$6 billion now or pay \$46 billion later. I think the answer is obvious to all taxpayers, not just people whose pensions are being affected by this.

The very last issue I think that we need to stress – and I know that you will be having a commission in regard to this – is that our completion rates in this province are not acceptable. This problem is being exacerbated by the lure of jobs before students complete high school. I know that from being the product of a former generation that was in a boom and then a bust, you create a whole generation of people who have difficulty going back to education and completing their education or postsecondary education because they were lured into what seemed to be high-paying jobs in the oil patch. Now we're repeating that same scenario here 25 years later. I just loath to see the results of it, where you have undereducated people looking for other forms of work perhaps 10 years later, and it becomes a difficult problem, especially if the economy doesn't stay buoyant.

These are my concerns in regard to the Education budget. I'm delighted to see that there are some monies coming forward, but I think long-term planning and movement in some of these key areas that I pointed out would only help to make it even better.

Thank you.

Mr. Zwozdesky: Mr. Chairman, I'll respond to the member in writing regarding his comments.

Thank you.

The Deputy Chair: Okay.

I guess we can move to the next department. The hon. Minister of Advanced Education.

Advanced Education

Mr. Herard: Thank you very much, Mr. Chairman. I will try and adhere to our House leader's suggestion that we try and keep it down to about five minutes.

I'm pleased to have the opportunity to present the supplementary estimates request for Advanced Education. Advanced Education has one request, and it relates to cost escalation on approved capital projects that are currently under construction. There's not a lot of complexity with respect to what we're asking for. We're experiencing strong economic growth, and everything is going up in price. That's the reason we have to come back and ask for more money to finish projects that are already into the ground. The labour market with all of its benefits is having cost implications for our capital construction projects. This includes projects at our postsecondary institutions as well as education and health care facilities.

10:10

The supplementary estimate of \$49.2 million that is requested for Advanced Education is to provide additional funding for five approved postsecondary capital projects that are currently under construction: \$16 million for the Health Research Innovation Facility at the University of Alberta; \$14 million for the Health and Research Innovation Centre at the University of Calgary; \$10 million for the Sport and Wellness Centre at Keyano College in Fort McMurray, which will see improvements and expansion to the college recreational facilities as well; \$6.5 million for the Robbins health learning centre at Grant MacEwan College in Edmonton, which will provide much-needed classroom and laboratory space for MacEwan's nursing and health sciences programs that have just recently been approved; and \$2.7 million for expansion of the Cold Lake campus Portage College.

I'd also like to note that it's expected that costs for capital projects will continue to escalate throughout this booming economic period, but my officials are working closely with counterparts in Infrastructure and Transportation to monitor capital cost increases and will be paying close attention to this.

This concludes my remarks, and I would be pleased to address questions on the supplementary estimates. Thank you.

The Deputy Chair: The hon. Member for Calgary-Currie.

Mr. Taylor: Thank you, Mr. Chairman. It's a pleasure to rise and debate the estimates for supplementary supply for the Advanced Education department. The minister was brief. I will try and be brief as well because, of course, we have a great deal of ground to cover and a very short time in which to cover it if we're to get through all the departments asking for extra money tonight. Well, who am I kidding? We're not going to get through all the departments. We didn't set aside enough time. There's no possible way. I would have loved to have gotten involved in the discussion of the estimates for the Department of Education, but I leave it to my colleagues to ask as many of those questions as possible because we do have to move on.

You know, over the course of the summer the Taylor family has been building a new garage, a garage that we've been putting off building since we moved into the house 20 years ago, a garage that was supposed to be the first project after we moved in except the first project turned out to be the birth of our first-born and you know what that does to the construction budget when the budget for Pampers and things like that comes in.

I noted this summer, though, that had I gone ahead with that plan to build that garage 20 years ago, I could have built the whole garage for what it cost me to pour the concrete this summer, so I do understand what this minister is saying and what other ministers will say over the course of the debate for supplementary supply over the next few days about cost escalation. Both in terms of labour and in terms of materials it is fairly astounding. The Minister of Advanced

Education really is looking for about 18 per cent more money than he budgeted for, and that's not far off the mark of what we're told is the cost escalation in the construction business in the province of Alberta these days. So in broad, general terms, no complaints here.

I thank the minister for his breakout of how this \$49.2 million is proposed to be spent. I have no particular questions in that area. But I do have some questions, and I don't expect any answers from the minister tonight on this because I know that he shares my view that we need to move this process along, and he's very good about replying in writing, so I'll anticipate his answers in future to as many of these questions as possible.

Let me, though, run through this quickly. I guess question one is: given the way the numbers have bounced around for postsecondary education infrastructure budgets over the course of the last couple of years both in terms of budgeting and projections three years down the road – and I ask this uncritically; I ask this for information – can the minister provide any kind of assurances to what we can anticipate in the next two budget years? I mean, the budget has gone up by nearly \$50 million over the course of this budget year. Does the minister anticipate that the same thing is going to happen next year and the year after? I'm getting a little bit to what the plan will be and how you plan in this kind of escalating cost environment, that we're all dealing with in one form or another.

I have a few other areas of interest as well that do not specifically relate to the dollars that we're talking about here but which will relate to dollars that we will need to talk about in fairly short order, I would hope, but in the months and years to come. So I'll hit the minister with a few questions if I could. Given that in just one year the budget for SAIT's new apprenticeship centre went up by something like \$55 million, or 18 per cent, should the Legislature get used to this kind of budget? Whether they be supplementary dollars or budgeted dollars, when will we be seeing some hard funding beyond the sort of million dollars to cover the very basic start-up costs, I guess, for SAIT's new apprenticeship centre? I ask this question, obviously, because – and I know that the minister shares my view – it is vital that we turn out more apprentices in this province. SAIT is on record as saying that they expect the government to fund 81 per cent of the project. Will the minister commit to funding at least this amount? Can he?

ACAD, the Alberta College of Art and Design, is in need of a new downtown facility to meet enrolment demand and to support a dynamic, culturally diverse downtown core in the city of Calgary. I'm curious as to whether the minister is supportive of this project. I'm curious as to where he stands on support for the new NAIT/Northern Lakes College apprenticeship facility in Grande Prairie. I'm curious as to when we might expect to see some financial support to the new community learning campus at Olds College, the expansion of Bow Valley College in Calgary, the new digital library, the veterinary school at the U of C, the whole Campus Calgary concept, which I think is still alive, although I'm not sure that it's not on some degree of life support these days.

The University of Calgary as part of that wants to create 7,000 new spaces by 2010. Given what the minister is seeing happening to cost escalation, given what the minister is seeing happening to the infrastructure budgets bouncing around somewhat, can the minister offer any assurance that the U of C, the University of Calgary, will be able to meet that goal of 7,000 new spaces by 2010?

The U of A has an ambitious expansion plan to help the government fulfill its access promises. I know, again, that this is not part of this particular supplementary supply, but I'm wondering if the minister could provide an update to the Assembly on whether he's supportive of the University of Alberta's effort to increase enrolment to 50,000 by the year 2020. Has he committed to providing funding for any particular parts of this initiative?

What specific other projects on Alberta campuses is the minister committed to getting done over the next three years? This, I think, does potentially get back to some of the dollars we're talking about tonight. Can he provide specific estimates on how many additional spaces each of these projects will support and some timelines, too, specific timelines for increasing capacity in medical schools, in nursing programs, and other health-related fields over the next few years because as we all know – and I'll use once again the city of Calgary as an example – the city of Calgary is short hospital beds.

The Calgary health region has in place a plan to alleviate that shortage through the construction of new hospital facilities, but it won't be completed until the year 2010. The city of Calgary is fated to be short of hospital beds until 2010-2011. But even in this context of today's labour shortages and escalating costs, even if you could speed up the construction of those hospital facilities, you probably couldn't do much about filling the buildings with patients because you have doctors and nurses and other health care professionals to hire to staff those facilities.

We are short of doctors. We are short of nurses and other health care professionals. We need to churn out more, and I'm taking this opportunity to put this question to the minister although, again, it's not directly related. I wonder if the minister can offer us some timelines for increasing capacities so that we can graduate more doctors, more nurses, more health care professionals wherever they're needed over the course of the next few years.

As I said, Mr. Chairman, I offer the minister the opportunity to reply to any or all of those questions in writing if we want to move this process along, and I thank the House for this opportunity tonight.

10:20

Mr. Herard: Just very briefly, and I will take the opportunity to provide as much information as I can in writing. As a general principle what I have looked at is that all of our institutions and boards have a number one priority project. Essentially, what I try and do is make sure that all of the number one priority projects are prioritized in such a way that depending on how many capital dollars, how far down the list I can go, I will effect as many number one priority projects around the entire province as I can. So that's sort of the basic principle in how I look at this because, quite frankly, every single one of our institutions has priority projects that they want to try and achieve for very good reason.

There are a number of projects that you mentioned that are really good ideas, but I don't have anything solid yet to analyze. You know, for example, that there isn't a good business plan in place; maybe some of the partners have moved away from the proposals. Anyway, we don't have something solid to evaluate yet. Everything that we've got in the hopper today has been analyzed and prioritized primarily to make sure that we distribute this throughout the province.

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

Dr. Pannu: Thank you, Mr. Chairman. I will also try and be brief and thank the minister for his introductory comments and then a few observations in response to those he just finished making. The \$49.2 million in supplementary estimates that he is requesting the House to approve is related to the five projects that he mentioned. He's given us a breakdown, and I want to thank him for this: the University of Alberta, the University of Calgary, Keyano College, Grant MacEwan College, and Portage College in Cold Lake, five of these projects. The increase that the \$49 million represents over the \$273,143,000 that was approved in the 2006-2007 budget barely

three months ago, in May, is 18 per cent, yes, but are these monies being requested for the high-priority projects for just these five institutions? Are there some other institutions which had also asked for money and didn't get it?

The second question that I have is that it's only taken about three months for the minister to come back and ask for an 18 per cent increase over the funds provided in the initial budget. We have yet, I think, seven months remaining for the 2006-2007 budget going forward. Does he expect to have to come back, whenever the time permits, for more money in the face of the cost escalation that everyone recognizes is a problem for these five projects? That's what I'm asking.

A related question is: when are these five particular projects likely to be completed? Are they likely to be completed in the next few months, or are they going to be completed in the next two years? If the latter is the case, then can he say with confidence that it's the last time he'll be coming back to the Legislature for additional funds for the completion of these five projects?

I am concerned, in the context of rapidly increasing costs, with the way we are doing the budgeting. Either we have to abandon the old way in which the budgeting was done and concede that that is inappropriate and bring forward an open-ended budget and tell the Legislature that we may have to come back every three months or five months given the context of cost escalation or if you're going to be taken seriously on the annual budget just passed in the spring session, then you say that we'll find better ways of estimating the cost-escalation factor and build into the budget numbers that are presented to the House in March or April, at that time.

So there is some sort of difficulty here that I sense, and I sympathize with the minister and other ministers too. If it is, in fact, the case that there is a cost-escalation factor that is almost running not out of control but certainly somewhat wildly, then how does this House approach the request that it may receive, as it's receiving now, and hope that this is the last time that the minister or the ministry or the department is going to come back within this current budget year for more money? It is a cause for concern. I think that it does raise questions about budgeting procedures and budgeting practices. The circumstances have changed. Is some consideration being given to how to budget for this? Those are some of the questions for the minister.

I'm curious that these five projects with five different institutions are the only ones for which additional money is being asked. I wonder if this initial budgeted amount, \$273,143,000, was dedicated for only these five projects. Are there other projects that are also covered by that initial 273 million plus dollars? If there are more projects that were covered by the \$273,143,000 than just these five projects, then how is it that there is obviously no need for the minister to ask for additional funds for the completion of other projects, which are, I would say, outside the list of these five. In other words, are there 10 projects, in fact, that are going on now, which are funded by this \$243 million? If so, why is it only these five which require additional funds and not others?

The minister may have answers to all of these questions. I hope I made my questions more or less clear. Otherwise, he'll come back to me and ask for clarification. With that, Mr. Chairman, I'll sit down and see if the minister would want to respond.

Mr. Herard: I will deal with those questions in writing. Thank you very much for your questions.

Agriculture, Food and Rural Development

The Deputy Chair: The hon. Minister of Sustainable Resource Development on behalf.

Mr. Coutts: Thank you, Mr. Chairman. I'm pleased to be here this evening on behalf of the Minister of Agriculture, Food and Rural Development on the supplementary estimates request for that department. I think it's important to acknowledge the earlier debate that we had this evening when the hon. Member for Highwood brought forward some of the challenges that the agricultural industry has. This Assembly certainly well knows those challenges because many of those challenges were talked about during that earlier debate. They talked of everything from disease to border closures, drought, having to deal with low commodity prices, and certainly the ever-increasing input costs. Alberta agricultural producers and processors have faced a great many of those challenges that we have mentioned.

As a government we continue to stand by this industry. It is an important industry to the province of Alberta. So, therefore, Mr. Chairman, the 2006-2007 supplementary estimate for Agriculture, Food and Rural Development is \$270.8 million.

10:30

I'd just like to take a moment and outline the main components of these estimates. The supplementary estimate provides \$261 million in disaster funding relief to agricultural producers through the Canadian agricultural income stabilization program. Given the challenges our farmers are facing, this disaster declaration and resulting funds represent government's commitment to support farmers who face escalating input costs at a crucial time of year with the upcoming harvest season.

In addition to the disaster relief funding \$4.8 million was put towards infrastructure assistance for municipal waste water to support a project in the municipal district of Rocky View. The funding will support the municipal waste water cost for the agricultural portion of the construction of a horse-racing track and equine centre. That's for the agricultural portion of that centre. Alberta Agriculture, Food and Rural Development's total commitment of \$8.3 million is particularly offset by other savings in the municipal waste water program.

Another \$5 million was dedicated to bioenergy development in Alberta, including support for the bioenergy commercialization and market development program, and the delivery of the bioenergy infrastructure assistance program. Both of these will help place Alberta at the forefront of the emerging bioenergy sector and could contribute to long-term sustainable growth in this province.

That concludes my explanation on behalf of the Minister of Agriculture, Food and Rural Development and their request on the supplementary estimates. I'm sure that the hon. members opposite will have some questions, and I will advise the hon. members that the minister or his staff will respond to those questions in writing following review of tonight's *Hansard* and make the answers available to the hon. members.

Thank you.

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

Mr. Eggen: Yes. I just wanted to make a couple of brief comments in regard to the agriculture estimates. The first issue that I think needs to be addressed is the way that the farm-aid deal is assessed because, in fact, the way that it's being referenced – right? – is using the 2004 margins in order to establish peoples' rebates. However, we know that 2005 and 2006, this year, is when we've seen a serious increase in farm costs, especially in regard to fuel and petroleum-related inputs, fertilizer and whatnot, and I'm putting this forward, of course, for the minister to catch later. Changing those parameters

by which the farm aid is assessed for individuals for the different year I think would make a big difference to being more realistic to just how fast the prices have been going up here in the last 18 months or so.

As well, I'm curious to ask about the Choice Matters campaign, how much of the budget and supplements are going into the funding of this program from the agriculture ministry, and I'm just wondering about the appropriateness of that choice of funding for this advertising campaign. You know, I have difficulty seeing the relevance of the province of Alberta being in this debate in the way that they are because, of course, it is a federal issue. It's a very controversial issue as well because when you do take a piece out of a monopolistic board, as the Wheat Board is, then you are risking the deflation of prices across the whole board. So I hope that this is being considered when the agriculture minister, in fact, weighs in on this issue.

Those are my two points that I wanted to bring forward, and I know that my first point particularly, in regard to the base lines for farm aids, is reflected by other groups. The Wild Rose Agricultural Producers association, among others, has expressed this as a pressing need from farmers across the province.

Thanks, Mr. Chairman.

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

Mr. MacDonald: Thank you very much. It's a pleasure to participate in the debate this evening on Agriculture, Food and Rural Development. Before this session started, it was interesting to follow the department. I don't know how much public relations were devised by the Public Affairs Bureau, but certainly it was with interest when the news came out that \$261 million was being set aside for farmers. I read with interest the previous day where the order in council had been initiated. I believe it was the 17th of August, Mr. Chairman, that this provincial government declared that a natural disaster exists in the nature of an agricultural economic hardship with respect to the 2006-07 fiscal year.

Now, there are a number of reasons, of course, for that. A lot of this was articulated in question period today. I listened earlier to the hon. Minister of Finance, and on first blush I'd have to say, Mr. Chairman, that I don't think the hon. minister has really given up the portfolio of Agriculture, Food and Rural Development. I would have to say that she seems very capable of handling that department. She's certainly familiar with all the programs in there. But we see the increasing production costs and the falling crop prices. We talk to farmers almost daily on this side of the House. They talk about fuel prices. They talk about fertilizer costs. Farm gate incomes we know are falling. There are significant problems. The only fortunate thing we have right now is the fact that so many people can work off-farm in the robust energy sector.

We asked questions during the budget estimates this past spring. This side of the House asked if we could have an increase in the farm fuel benefit allowance. That hadn't been adjusted for a number of years. It needed an adjustment to reflect this significant fuel increase. Nothing was done. We asked about fertilizer costs. There was a nod from the minister, but again nothing was done.

Now we find ourselves in this situation where funding will be provided through the CAIS program based on the 2004 claim year. The hon. Minister of Finance gave a detailed answer in question period, which I referred to earlier, but I'm not so sure that we should be using the 2004 claim year. Producers who participated in CAIS in 2004 will automatically have their claims processed, as I understand it, but now in other adjustments that have been made to the

CAIS program, we have found that there have been significant overpayments.

Mr. Lund: How did that happen?

Mr. MacDonald: How did that happen? The hon. Minister of Infrastructure and Transportation asks: how did those overpayments in the CAIS program happen? Well, in the November 2004 election this government was so anxious to shore up its deteriorating support in rural Alberta that it quickly went through all these claims, hastily cut the cheques, and got themselves re-elected. But now, 18 months later, they're asking from some of those farmers up to \$80 million back. The farmers that have contacted this side of the House see through that. That's exactly what happened.

10:40

My point with this is: can we be assured that this won't happen again with the CAIS program? There are some files that I have seen where there is in excess of \$45,000. There's a beef producer north of town here. I think he's got over \$70,000 in overpayment. It's not a laughing matter. It is certainly not a laughing matter. You know, the hon. minister can chuckle and grin, but it is certainly for many farmers not a laughing matter.

We'll have to be very careful. We'll have to watch this. The hon. Minister of Finance spoke earlier about the 2004 claim year, that reference margins will be increased by 25 per cent for fuel and fertilizer costs, and there will be a general reference margin increase of 15 per cent. Now, by targeting the producers with the most need, about 60 per cent of the 2004 CAIS participants will receive the funding. Funds are expected to reach farmers this fall regardless of whether there's an election or not. There's a leadership race over there but no provincial election. I suspect that that's going to come during breakup next year, next spring.

Funds are expected to reach farmers this fall and are intended to provide support from now until when the disaster component of CAIS is developed. I wonder if the government has ever considered having a separate disaster relief fund. Let's set aside some money for a separate disaster relief fund. That was one of the past ways of dealing with these disasters but not currently. If the government has considered that, I would be interested to hear about it.

Now, the \$4.8 million infrastructure assistance for municipal wastewater. Can the minister provide us with some details on this particular need? Why was the need not anticipated? Are there specific jurisdictions that this money will be targeted for? What led to this problem, and why wasn't it prevented? Certainly, there is interest in this.

The \$5 million bioindustrial technologies: will the minister provide us with some details on this particular need? How exactly will this additional money be used? Are there specific initiatives that this money will be dedicated to? Why did the minister not recognize the need for this money when the budget was drawn up? Now, hopefully this will be dealt with.

I also have some other questions regarding the CAIS program. We talked about this a little earlier, specifically: why didn't the minister anticipate the need for the disaster program when we were doing the budget just this past spring? Conditions haven't changed that much. Why, again, has this government allowed the situation with farm incomes to reach a crisis? There seems to be a concern amongst farmers that the process that is being used for distributing this money is flawed. We talked about this earlier. I'm sure the government is hearing the same questions because of the question that the Minister of Finance directed today. Is the minister con-

cerned that by using 2004 as the claim year, the increase of costs in 2005 and 2006 will not be adequately addressed? How does the minister plan on ensuring that farmers who were not significantly impacted in 2004 but who suffered greatly in 2005 and again this year, 2006 – how will they receive any additional funds?

The order in council that I spoke about earlier – and this is in conclusion, Mr. Chairman – states that this disaster is a result of many things, including “limited market access.” Will the minister elaborate on this point briefly, please? Is it the minister’s position that the further opening up of the market would prevent such disasters in the future?

Thank you.

The Deputy Chair: The hon. minister.

Environment

Mr. Boutilier: Thank you, Mr. Chairman. I’m very pleased here tonight to talk very briefly about what Alberta Environment is doing. Alberta Environment is requesting a supplementary amount for Water for Life, for grant payments under the waste management assistance program of \$3.7 million; \$2.7 million for the grant payment under Alberta water management and erosion control. As well, I want to say today that that’s why my ministry is requesting \$11.4 million, because of the most progressive strategy pertaining to Water for Life in this province. So, Mr. Chairman, I move the \$11.4 million as priorities for Water for Life and important environmental initiatives.

I also want to say that \$2.4 million of the funding is allocated to the energy innovation fund to detail groundwater inventory mapping and management models, which are very important. As has been mentioned in the past, groundwater mapping will support planning for coal-bed methane development. Industry, municipalities, and communities all have a role to play. Understanding our groundwater is how we can best protect its integral part in the livelihood and longevity of this province, and of course this is a key principle of our Water for Life.

Thank you, Mr. Chairman.

The Deputy Chair: The hon. Member for Calgary-Mountain View.

Dr. Swann: Thank you very much, Mr. Chairman. Thank you, Mr. Minister, for sharing some of the thinking behind the new allocations requested. I guess that in general terms this is an important investment given the grossly underfunded budget of this ministry, so one cannot but applaud added investment into some of these vital issues for Albertans. Unfortunately, our environment has been a major casualty in the uncontrolled growth in this province, and it will continue to be a great concern to Albertans and certainly to us on this side of the House as we try to get a handle on just what sustainable smart growth is as opposed to uncontrolled growth at the whim of business.

As indicated, a good part of the \$11.4 million has to do with water infrastructure, and that, I’m sure, is vital and just less than half of the money going into water mapping. I would very much appreciate knowing from the minister what water mapping has been done, where we are in terms of mapping in the province, and how we are monitoring the groundwater mapping to date. I think something that all of us need to be able to have a stronger handle on is: “Where are we? What needs to be done? When will this be complete?”

The Horseshoe Canyon is obviously the big play for coal-bed methane and a great concern for people around the province. It’s not

clear to me to what extent the Horseshoe Canyon has been mapped and to what extent we understand why changes that have occurred there are occurring as a result of resource activity or other factors. So I think we need to know something about where this is taking us and how much more is going to be needed because this is clearly a priority for Albertans. A better handle on groundwater mapping is absolutely vital.

“Will these data be publicly accessible?” is another important issue. Many landowners have asked questions that I think are reasonable, and many of us could reduce some of the demands on the department if we had more information about the known elements of the groundwater inventory.

10:50

What about the observation wells and the groundwater monitoring wells? There are over 200 monitoring wells in the province, and on the basis of the amount of activity in the province, clearly not enough, and no gas monitoring in these monitoring wells. This doesn’t make sense, and I hope this can be addressed at some level so we can get some sense of the extent to which gas is migrating into groundwater. We still don’t know despite some testing in the hamlet of Rosebud, and the indications are very much that the gas is migrating from cumulative impacts across this province in resource activity. We need an objective comment. We need objective science and a public process to restore confidence that we understand the extent to which our groundwater has been damaged and how much of it is natural.

Finally, it’s applaudable that we’re going to do some more oil sands assessment. Clearly, that’s an important role that we have to give more science to. I think and I hope industry is spending a lot on this as well.

Vote on Supplementary Supply Estimates 2006-07 General Revenue Fund

The Deputy Chair: I hesitate to interrupt the hon. Member for Calgary-Mountain View, but pursuant to Standing Order 61(1), which provides for not less than two hours of consideration of estimates, and pursuant to Government Motion 25, agreed to on August 24, 2006, I must now put the following question. Those members in favour of each of the resolutions not yet voted upon related to the 2006-2007 supplementary supply estimates for the general revenue fund, please say aye.

Hon. Members: Aye.

The Deputy Chair: Opposed, please say no. The motion is carried.
The hon. Government House Leader.

Mr. Zwodzesky: Thank you, Mr. Chair. I would move that the committee now rise and report the estimates.

[Motion carried]

[Mr. Shariff in the chair]

Mr. Griffiths: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions and reports as follows.

All resolutions relating to the 2006-2007 supplementary supply estimates for the general revenue fund have been approved.

Aboriginal Affairs and Northern Development: expense and equipment/inventory purchases, \$715,000.

Advanced Education: expense and equipment/inventory purchases, \$49,200,000.

Agriculture, Food and Rural Development: expense and equipment/inventory purchases, \$270,800,000.

Community Development: nonbudgetary disbursements, \$15,537,000.

Economic Development: expense, \$2,235,000.

Education: expense and equipment/inventory purchases, \$293,300,000.

Environment: expense and equipment/inventory purchases, \$11,400,000.

Health and Wellness: expense and equipment/inventory purchases, \$262,000,000.

Human Resources and Employment: expense and equipment/inventory purchases, \$5,300,000.

Infrastructure and Transportation: expense and equipment/inventory purchases, \$171,644,000; capital investment, \$139,420,000.

Innovation and Science: expense and equipment/inventory purchases, \$20,000,000.

Justice: expense and equipment/inventory purchases, \$3,600,000.

Municipal Affairs: expense and equipment/inventory purchases, \$20,356,000.

Solicitor General and Public Security: expense and equipment/inventory purchases, \$4,000,000; capital investment \$9,600,000.

Sustainable Resource Development: expense and equipment/inventory purchases, \$251,503,000.

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

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

The hon. Government House Leader.

Mr. Zwozdesky: Thank you very much, Mr. Speaker. Now that the supplementary supply has been voted on and based on previous discussion with all opposition party House leaders or such representatives regarding the need to revert to the introduction of bills, I will seek the unanimous consent of the Assembly to in fact revert to Introduction of Bills so that we can do first reading of the Appropriation (Supplementary Supply) Act.

[Unanimous consent granted]

head:

Introduction of Bills

Bill 44 Appropriation (Supplementary Supply) Act, 2006 (No. 2)

Mr. Zwozdesky: Thank you. Mr. Speaker, on behalf of the hon. Minister of Finance I would request leave to introduce Bill 44, Appropriation (Supplementary Supply) Act, 2006 (No. 2). This being a money bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this bill, recommends the same to the Assembly.

[Motion carried; Bill 44 read a first time]

head:

Government Motions

Adjournment of Session

26. Mr. Zwozdesky moved:

Be it resolved that when the Assembly adjourns to recess the summer sitting of the Second Session of the 26th Legislature, it shall stand adjourned until a time and date as determined by the Speaker after consultation with the Lieutenant Governor in Council.

The Acting Speaker: The hon. Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. Again, oral notice having been given last week by myself, I now move the above motion, which, as I understand it, is not debatable. All members have been apprised through their House leaders or such representatives regarding this matter as well.

[Government Motion 26 carried]

The Acting Speaker: The hon. Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker, and thank you to all members for participating in tonight's debate and for their comments and questions, which will be responded to. That being the case and in view of the hour, I would move that the Assembly now stand adjourned until 1:30 tomorrow afternoon.

[Motion carried; at 10:59 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]