

Legislative Assembly of Alberta

Title: Thursday, June 7, 2007

1:00 p.m.

Date: 07/06/07

[The Speaker in the chair]

head:

Prayers

The Speaker: Good afternoon. Welcome.

Let us pray. Let us keep ever mindful of the special and unique opportunity we have to work for our constituents and our province, and in that work let us find strength and wisdom. Amen.

Please be seated.

head:

Introduction of Visitors

Mr. Shariff: Mr. Speaker, I'm pleased to introduce to you and to all members of the Assembly officers of the Salvation Army in Alberta. Active in this province for well over 100 years the quiet commitment, dedication, and good work among those in need in our society by the Salvation Army is well known. Our six visitors are here to mark significant milestones in their lives.

After serving as divisional leader for Alberta, Yukon, Northwest Territories, and Nunavut for the last few years, Major Robert Ratcliff and Major Shirley Ratcliff will retire next week after 40 years of devoted service. Major Brian Venables and Major Anne Venables have been for 16 years residents of our province, Alberta. They will be moving to Regina in July to start a new ministry to give oversight to the Salvation Army's activities in Saskatchewan. Envoys Andy and Janet Kwak recently celebrated 20 years of service. They are responsible for the Salvation Army's community and family services. Andy has served international disaster relief secondment in Kosovo, Chechnya, Malawi, Ground Zero in New York City, and Mississippi.

The Salvation Army is unique and has served Albertans for over a century without favour or reservation and deserves our recognition.

Mr. Speaker, our guests are seated in your gallery, and I'd ask them to rise as I call their names once again, and I'd ask the Assembly to recognize them as well. Major Robert Ratcliff and Major Shirley Ratcliff, Major Brian Venables and Major Anne Venables, Envoy Andy Kwak and Envoy Janet Kwak. Hon. members, kindly afford them the traditional warm welcome.

Mr. Speaker, I apologize. There's one additional guest in the gallery as well. I didn't have the name earlier: Karen Diaper. She is with public relations for the Salvation Army. Could you please rise and be recognized as well.

head:

Introduction of Guests

The Speaker: The hon. Minister of Municipal Affairs and Housing.

Mr. Danyluk: Well, thank you very much, Mr. Speaker. It is indeed a pleasure to introduce to you and through you to members of this Assembly this year's municipal internship program placements. This award-winning program offers an excellent opportunity for postsecondary students to transition into the workforce while contributing to the sustainability of Alberta communities.

Mr. Speaker, each year my ministry places interns in municipalities across the province to help address the succession planning and training of future managers to contribute to operating efficient local governments. I am confident after meeting this fine group over the lunch hour that Alberta municipalities will be well served by this enthusiastic group which is eager to learn and assist in local governments.

Mr. Speaker, there are 25 interns that come from Alberta and other provinces across Canada – and I won't name them all – plus ministry officials in attendance. I would ask them to please stand and receive the official warm welcome of this House.

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

Mr. Lukaszuk: Thank you, Mr. Speaker. It's a pleasure to introduce to you and through you to all members of the Legislature a very special constituent of mine. Jennifer Baker recently came home with a gold medal in senior girls singles five-pin bowling and is now the 2007 national champion. Jennifer not only can say that she's a national champion; she can also say that she is a back-to-back national champion, having taken home the junior girls singles gold medal in 2006. Jennifer is joined by her mother, Kelly Cornelius, and coach, Ernie McLellan, and his wife, Diane McLellan. I would ask them to rise and receive the warm welcome of this Assembly.

Thank you.

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

Mrs. Jablonski: Thank you, Mr. Speaker. It is my pleasure and my honour today to introduce to you and through you to members of this Assembly two very important people. Seated in the members' gallery and visiting from Willowdale, Ontario, is my assistant's mother, Mrs. Molly Georgina Oliver. With her is her son-in-law Guy Gosselin. We know how important family is to all of us to encourage us and support us in our daily needs. That's why these are two very important people, and they're here to see us today. I would like to ask the entire Assembly to give them the warm welcome of the Assembly. If Molly and Guy could please rise.

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

Mr. Agnihotri: Thank you, Mr. Speaker. It's my great honour and pleasure to rise and introduce to you and through you to all members of the Assembly Mr. James Sexsmith, accompanied by my constituency assistant, Darlene Treder. Jim is a veteran of World War II, and he's active in federal and provincial politics. He advocates for the underprivileged and low-income people. He is here today again to voice his concern on the issue of rent relief. I want to thank them for coming to the Legislature. They are seated in the public gallery. I request them to please rise and receive the traditional warm welcome of the Assembly.

Thank you.

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

Dr. B. Miller: Thank you, Mr. Speaker. I would like to introduce to you and through you to all members of the House the following visitors who are here concerned about high rents. They have actually sought help from the government and have been turned away and have got no results for their own lives. I would like to introduce Cora Davis, Shayne Tymkow, Danielle Boudreau, Lena Siben, Nicole Kuiken, Bernadette Thomas, Mary Ladouceur, and Norma Baker. I'd ask them to please stand and receive the warm welcome of this House.

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

Mrs. Mather: Thank you, Mr. Speaker. It is my pleasure today to introduce to you and through you to the Assembly a group of wonderful people who represent the diversity of the population of

Mill Woods and who are concerned about housing issues for people wanting to rent or buy. I would ask that these people please signal their presence at the end: Pastor intern Reece Retzlaff from First Mennonite Church; Pastor Donita Wiebe-Neufeld, First Mennonite Church; Pastor Mike Magnus, South Edmonton Alliance Church; Pastor Damien Lee, South Edmonton Alliance Church; Pastor Dale Irving, Mill Woods United Church; Father Martin Carroll, St. Teresa Catholic Church; Pastor Larry Lindoff, Evangel Pentecostal Assembly; Pastor Wayne McNeilly, Evangel Pentecostal Assembly; Reverend James Hendericksen, St. Paul's Lutheran; Reverend Kathy Bowman, St. Patrick's Anglican Church; Pastor Debbie Kunst, Evangel Assembly; and Pastor Adam Andritz, Evangel Assembly.

In addition, I have individuals here today from the Canadian Paraplegic Association who are also here to express concerns about housing issues for the disabled, and I'd like to welcome Edgar and Sheena.

Would you all indicate your presence, and would you please give them the warm and traditional welcome of the Assembly.

1:10

The Speaker: The hon. Member for St. Albert.

Mr. Flaherty: Thank you, Mr. Speaker. I'd like to introduce to you and through you Rhonda Starkel, a constituent from St. Albert who is anxiously awaiting to hear from the Department of Municipal Affairs and Housing regarding housing concerns. She is a single mother with a child, and it's a difficult time to handle rent increases. I'm hoping the minister or someone in his office will call her. I wish to have her stand and receive the warm welcome of the Assembly.

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

Mr. Eggen: Well, thank you, Mr. Speaker. I'm very delighted to introduce to you and through you to members of the Assembly three UFCW members from the Palace Casino strike, which is now in its 272nd day due to this government's refusal to pass first contract legislation. Their names are Roxanne Draudson, Sheri Panas, and Susie Krajancic. Roxanne is a poker dealer and has been in the gaming industry since 1998. She is working towards a bachelor of science degree to work on medical research. Sheri has been a server at the casino for five years and has recently completed her studies in human resources. Susie has worked for seven years at the Palace Casino and works as an acting pit boss and dealer. She's married with two boys and enjoys taking her kids to soccer and ball hockey. I would ask them now to all please rise and receive the warm traditional welcome of the Assembly.

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

Mr. Backs: Thank you, Mr. Speaker. It is a pleasure and an honour to rise today and introduce to you and through you to this Assembly the senior policy analyst of the Canadian Federation of Independent Business, Janine Halbesma. She is here today in the public gallery to witness and support first reading of Bill 213, the Regulatory Accountability and Transparency Act. In layman's terms that could be called the red tape reduction act. Janine, please rise and receive the traditional warm welcome of this Assembly.

head:

Ministerial Statements

The Speaker: The hon. Minister of Employment, Immigration and Industry.

90th Anniversary of the Election of the First Female MLAs

Ms Evans: Thank you very much, Mr. Speaker. I rise today feeling very privileged to speak to this Assembly as an elected official, as a woman, and as a representative on behalf of our government on the status of women.

In the early 20th century you picture a time when women wore bonnets and long dresses, travelling in horse-drawn buggies and down dusty roads. This may have seemed like an easy life, but in actuality it wasn't. I remember my grandmother Rose Laing, who in 1923 wrote of her experience to the *Calgary Daily Herald* of travelling alone, the first woman ever known to do so as a white Caucasian, with her horses through the Rocky Mountains and Radium Valley, through Sinclair Canyon to Fort Steele, and ultimately to Westbank, B.C., encountering a bear, lightning storms, mosquitoes, and no lodging along the way.

That pioneer spirit was evident in many women in those early days in our province. Two such women who encompass this spirit were Louise McKinney and Roberta MacAdams. These women were political pioneers who were the first women to be elected to a provincial Legislature in Canada, on June 7, 1917.

Louise McKinney's interests included social services, immigrant work, and the negative effects of alcohol and smoking. She was interested in legislation to aid people with disabilities, and her major initiative was the improvement of the legal status of widows and separated wives. During the June 1917 election Louise McKinney was chosen as the country's and British Empire's first female representative.

Roberta MacAdams, proudly recognized this week, became the first woman to introduce and successfully move a piece of legislation, the Act to Incorporate the Great War Next-of-Kin Association. In 1916 she was enlisted in the Canadian army medical corps, and during that time two pieces of legislation were passed in Alberta. The Alberta equal suffrage act extended the vote to the women of Alberta, and the Alberta Military Representation Act separated Alberta soldiers and military nurses overseas into a separate constituency. Roberta MacAdams was elected overseas by the Alberta soldiers and, as we've learned, by the nurses as a representative at large for Alberta for the soldiers. She was appointed to the Alberta Soldier Settlement Board with responsibility for the needs of those women, and her work in the Legislature led to the establishment of a teacher training school in Edmonton.

Louise McKinney and Roberta MacAdams undoubtedly left behind a political, educational, social, and military legacy that Canadians continue to benefit from today. Mr. Speaker, in this House all women elected represent their constituency and the modern-day Roberta MacAdams and Louise McKinney.

I would like to select a few others that are beyond this Legislature who have either been elected or provoked important political action: women like Colleen Klein, Shirley McClellan, Anne McLellan, Jan Reimer, and our own Premier's wife, Marie Stelmach. As women they are responsible to society and generate much in the way of interest and provide leadership for all Alberta women and for future generations. I am proud and honoured today to recognize all as we celebrate the 90th anniversary of the first election of women in Alberta.

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

Ms Blakeman: Thank you very much, Mr. Speaker. I am proud to commemorate the 90th anniversary of women voting in an Alberta election for the first time. While Alberta was one of the first

provinces to grant women the right to vote in 1916, it was 90 years ago today that Alberta women actually voted in a provincial election. Most notably, Louise McKinney and Roberta MacAdams were the first two women elected to the Legislative Assembly of Alberta and, indeed, any Legislative Assembly in the British Empire.

Without the determination of this province and key women in the suffrage movement young women today would not have the opportunity to legally vote and participate in politics. As you can see in this House, Mr. Speaker, although this province took the lead 90 years ago to ensure the democratic equality of women, participation in politics is still unequal.

I am passionate about getting more women elected, and I mean to every party. So I went and talked to some younger women when I knew that I'd be making this statement. They told me that while they consider themselves political, they will not participate in electoral politics by running in a future election. It is not that they do not have the desire to participate, nor do they find themselves unqualified to do so. In fact, a couple of years ago one young woman envisioned herself as the Premier of the province and then Prime Minister.

For these young women electoral politics is less attractive and less feasible than when pioneer suffragettes such as Louise McKinney and Roberta MacAdams fought for women's franchise, access to the Legislature, and access to equality. These women explained that the nomination and campaign process exposes the economic disparity of women. To become a viable candidate and get elected, women must raise thousands of dollars while executing their primary care duties. Women are still the primary caregivers for their children and aging parents; thus, the lack of adequate child care, long hours, and extensive travel deter these women from participating.

Legislatures are still described as old boys' clubs, and this affects women's interest in participating in politics. For these young women they see women who are elected being sexualized in the media and channelled into traditional women's areas such as the portfolio of Children's Services rather than Infrastructure and Transportation. Moreover, these young women believe that they are restricted by an electoral glass ceiling in which advancement is narrow.

While they've made it clear that they do not discount the Legislature's ability to effect change, this younger generation requires that such social and economic barriers be redressed. Until the government and the Legislature initiate on-site child care, ceilings on expenditures for nomination and election campaign financing, and a demonstrated political will for women being elected, these young women will continue to be underrepresented in this government and this Legislature. But in following the example given to us by Roberta MacAdams and Louise McKinney, I know that we can prove them wrong.

Thank you.

The Speaker: We'll need unanimous consent to recognize a representative from the third party.

[Unanimous consent granted]

1:20

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. It seems odd now that until 90 years ago, within the reach of living memory and history, women were struggling to be recognized not as equals in every way but simply as persons.

The Persons Case of 1927 and its subsequent conclusion in 1929

find their roots with Emily Murphy and the Alberta Supreme Court ruling in 1917 that declared that women, too, were persons in matters of rights and privileges. Without this challenge, that which we take for granted now, our inclusionary civil society and notions of rights and responsibilities for all, might have looked completely different. It was action, not hollow words, that dislodged the entrenched norms of a patriarchal society disenfranchising over 50 per cent of the population on the basis of gender. As the Lord Chancellor of the Privy Council in 1929 stated: Yes, women are persons, and "the exclusion of women from all public offices is a relic of days more barbarous than ours."

Mr. Speaker, here is a sample of a few more examples of relics from days more barbarous than ours. In a Legislature of 83 members there are only 11 female MLAs sitting here today. There still exist substantial wage differentials between men and women in the workplace. The famous glass ceiling, that ensures that the numbers of women in top corporate positions remain a small minority, still is in place. And let's not forget that Alberta has one of the highest rates of domestic violence in Canada even today.

Ninety years ago have passed since this journey began, and we have come a long way. However, Mr. Speaker, clearly we have miles to go. Thank you.

head: **Members' Statements**

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

Federation of Canadian Municipalities Conference

Mr. Cao: Thank you, Mr. Speaker. Last week Calgary hosted the Federation of Canadian Municipalities National Conference. Close to 5,000 attendees and their spouses enjoyed our hospitality. I attended a number of receptions where I met some municipality leaders from across Canada. My office also set up a booth at the night market in the Olympic Plaza in front of city hall. My staff and myself distributed Alberta government information from 4 to 10 p.m.

I want to thank Sandy Wilson, Sandy Matthews, and Jesse Kline for doing a great job at our booth. We met many local people as well as visitors and conference attendees. All those from outside Alberta that I met were so impressed with Alberta and the city of Calgary. They wondered why we talk negatively about our problems. They all wished to have our problems instead of theirs.

Alberta has the highest per capita public spending in health care, education, social support, infrastructure, municipal grants, and the list goes on. One delegate said to me: I just don't understand why there are people complaining about not having enough when others outside Alberta are starving. Realizing that I am a government MLA, another delegate said to me: "You guys have been doing very well. Your government policies are leading. I wish our government could do the same."

Indeed, my father once told me: when we live at the foot of the mountain, we don't realize how high the mountain is. Listening to the community leaders from outside of Alberta, I feel fortunate that we live in Alberta. Our children do not have to go make a living somewhere else. I also appreciate the freedom that if I don't like the way Alberta is going, I can always move to where I like it better. Paraphrasing an ancient Vietnamese saying, "Good land, birds nest," my Caofucius saying is: good government, people come. Last year in Calgary alone 36,000 people added to its million.

Thank you.

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

Lac La Biche Watershed Steering Committee

Mr. Ducharme: Thank you, Mr. Speaker. For the past six years the Canadian environment awards have recognized exceptional individuals and groups who are working to develop sustainable strategies to protect Canada's biodiversity. Earlier this week the Lakeland county's Lac La Biche Watershed Steering Committee was presented with the silver environmental health award for what *Canadian Geographic* describes as the community-based water quality champions.

In 1999 it became apparent the Lac La Biche lake water quality was deteriorating. In 2002 Lakeland county struck a multistakeholder group of citizens who set out to develop a strategy to protect the lake and environment. Public education, school-based programs, and a transparent decision-making process were key to earning the community support necessary to launch a study of the watershed. Since then volunteers and scientists have worked together to develop regulations and policies to balance environmental values and development.

Mr. Speaker, Lakeland county is located in the scenic Lac La Biche area of northeast Alberta. With a mix of oil and gas, forestry, and agriculture as well as an abundance of recreational and cultural amenities the region provides endless opportunities for visitors in an area rich in cultural diversity and heritage.

I would ask members of this Assembly to join me in congratulating Lakeland county and the Lac La Biche Watershed Steering Committee on this tremendously successful initiative and most deserved and prestigious award. These visionary Albertans are an inspiration to us all.

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

Volunteer Organizations

Ms Blakeman: Thank you, Mr. Speaker. I love our voluntary sector, also known as the NGO or nongovernment organizations or charitable agencies. To me they are all that is good with this society, from Meals on Wheels to Big Brothers Big Sisters to arts festivals to faith community programs to youth soccer programs to parent and teen mediation services to emergency shelters to trail grooming for cross-country skiing and everything in between. The willing donation of time and money by the citizens support a range of activities and services that make all of our lives better. Volunteers get a chance to learn new skills, socialize, make a meaningful and helpful contribution to their community, and many, many people work in this sector, including those who provide services which the government itself used to provide and now contracts out.

But I have a few observations about the long-term health and well-being of these organizations, their staff, and volunteers. The change in the nature of government support from core funding to project-based or contract funding has had a long-term impact. It is affecting the ability to recruit, train, retain staff and to successfully manage staff succession planning. Few organizations can afford to fund development staff, yet they need to raise additional money to pay for the capacity of the organization to deliver the service. There is no flex or fat, and it has compromised the ability to recover from disasters, emergencies, or anything unanticipated. Their organizational capacity has been hollowed out. Advocacy and service are getting lost in crisis fundraising.

We are losing our institutional memory as we lose long-time staff to better paying and sometimes identical jobs in the corporate and government sector. The fundraising arena now includes educational institutions, hospital foundations, and health programs: tough competition for those other charities and voluntary based groups.

Higher rents, electricity and utility costs, and insurance are additional financial issues they have to face, plus the ethical issues surrounding an increasing reliance on competition for gambling-generated dollars. Volunteers increasingly spend their time working casinos and bingos, not on the agency's main activities.

Thank you.

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

Kentwood Place

Mrs. Jablonski: Thank you. Mr. Speaker, when a private assisted-care facility came up for sale, a local businessman, pharmacist, and board member for the Red Deer chapter of the Schizophrenia Society jumped at the opportunity to buy it in order to provide housing to individuals who have a severe mental illness. Pharmacist and philanthropist Mike Tweedy engaged the David Thompson health region and the local Schizophrenia Society in a partnership that would result in 24-hour staffing of the facility, providing an unprecedented level of support for the clients. The health region, with the provincial innovation funds, has agreed to provide support with staff and program resources. The David Thompson health region also entered into a partnership with the Red Deer Schizophrenia Society to provide specialized supports. All three partners work together in planning and supervision.

Kentwood Place opened on June 1 in Red Deer-North to provide housing and support to 23 individuals. The majority of these individuals, who will leave Centennial Centre in Ponoka, would traditionally have found it very difficult to live in the community as the support required was not easily accessible until now. The Kentwood Place P3 partnership reinforces that all sectors in Red Deer are willing to work together to ensure a high level of service in a more cost-effective manner. Traditionally Red Deer has shown leadership in the areas of partnerships, housing, and supports. This new initiative is another example. Kentwood Place is an example of how the community can work together through a P3 partnership.

Mr. Speaker, I would like to express my sincerest thanks to Mike Tweedy and his partners. Mike is another shining example of good people doing great things for the people in their community. Please join me in congratulating Mike and his P3 partners for their visionary and outstanding initiative.

head:

Oral Question Period

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

Contributions to Leadership Campaign

Dr. Taft: Well, thank you, Mr. Speaker. The chief administrative officer for the Beaver waste management commission has stated publicly that this commission was approached by other PC Party leadership campaigns for funding in addition to the Premier's. Albertans have a right to know the details. My question is to the Minister of Municipal Affairs and Housing. Will the minister tell the people of Alberta if the Beaver waste management commission or any other public body under his authority was solicited for funds by the leadership campaign for the Member for Foothills-Rocky View, who is now the minister for sustainable development?

Thank you.

1:30

The Speaker: The hon. minister.

Mr. Danyluk: Well, thank you very much, Mr. Speaker. When I

was asked the question, I believe, two days ago, I had said that I would look into it, and I am asking for a review of the commission's audited financial statements. At this time I believe my staff will be meeting with the commission's CEO next week.

The Speaker: The hon. leader.

Dr. Taft: Thank you, Mr. Speaker. That's not the question I was asking.

Will the Minister of Municipal Affairs and Housing tell the people of Alberta if the Beaver waste management commission or any other public body under his authority was solicited for funds by the leadership campaign for the Member for Strathmore-Brooks, who is now Minister of Finance?

Mr. Snelgrove: Mr. Speaker, sometimes some of their questioning goes from the ignorant to worse. For anyone there to suggest that any minister of this Crown has time to question, to call, to talk to all the commissions, to all the entities in Alberta on what they may or may not have done over the period of the last year during the leadership race for our party is, quite frankly, of very little interest to this House. To suggest that the minister of municipal affairs would have that information is simply being done to try and cast aspersion on the other leadership candidates that ran for the position of leader of this party and, quite frankly, has no place in this House.

The Speaker: The hon. leader.

Dr. Taft: Thank you, Mr. Speaker. The commissioner of the Beaver waste management commission has said that his commission was solicited by other leadership candidates. It is, as I'm sure you know, a commission formed under regulation of this government and under the authority of this cabinet. Again to the Minister of Municipal Affairs and Housing: will he tell the people of Alberta if the Beaver waste management commission or any other public body under his authority was solicited for funds by the leadership campaign for the Member for Edmonton-Whitemud?

Mr. Danyluk: Mr. Speaker, let me make this very clear. I have said that I am going to do a review of the Beaver waste management commission. I have also said that my staff are meeting with the CEO of that commission next week. We have asked for the audited financial statements of that commission. We will look at all of the financial statements that are presented to us, and, yes, at that time we will see what's there.

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

Dr. Taft: Thank you, Mr. Speaker. The Beaver regional waste management commission was commissioned by this government to provide its municipal shareholders with waste management services, to run a regional landfill, period. That's what the regulations of this government say. Yet in defending the unethical donation to the Premier's leadership campaign, the CAO of the commission said, and I quote: there is nothing in the legislation that says we can't. To the Minister of Municipal Affairs and Housing: is the minister okay with the CAO's attitude and his refusal to abide by the provincial mandate of the commission?

Mr. Snelgrove: Mr. Speaker, it is very lucky that we have large landfills in Alberta to hold that garbage. If he has any information of any kind that any municipality, that any government commission

contributed in an inappropriate or illegal way to anybody on this government side, bring it up, put it out, and let's check into it. To stand there day after day and continually make allegations of something that may not happen is irresponsible and should end up in the Ryley landfill soon.

The Speaker: The hon. leader.

Dr. Taft: Well, thank you, Mr. Speaker. The President of the Treasury Board knows well that we did bring a \$5,000 unethical contribution public, and we have the head of the commission saying there were other requests. Many, many questions remain. Why did the CAO of the commission recommend a huge donation of \$25,000? What reasons did the Premier's campaign team give to the commission to sell them on the donation? To the minister of municipal affairs: will the minister do the right thing and commit to a formal, independent inspection of this commission?

Mr. Danyluk: Mr. Speaker, as I said before, I have commissioned a review, and I am sure that that review will reveal where there were contributions. Possibly the party of the opposition may have gotten some contributions from that commission. Next week we are looking at the financial statements, and you never know what it could reveal.

Dr. Taft: I doubt it will reveal much, Mr. Speaker. We have a commissioner who's close friends and a supporter of the Premier reporting to a minister who's a supporter of the Premier on an unethical donation to the Premier by that commission. You, Mr. Minister, are not going to get to the bottom of this. What's needed is an independent inspection. Will this minister do the right thing – the right thing – and call an independent inspection into this situation under his authority?

Mr. Danyluk: Mr. Speaker, I have no idea who is friends with who. The Leader of the Opposition seems to know better who is a friend of the Premier, how my relationship is with the Premier. I am a minister of the government of Alberta. There was an issue that was brought forward. At that time I looked at the situation and have said that I am going to do a review.

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

Western Irrigation District

Dr. Taft: Well, thank you. This government stumbles from cover-up to cover-up, Mr. Speaker. In their desperation to push through the water transfer for the megamall and racetrack at Balzac, the Western irrigation district is now being asked to provide irrigation water for the project. My question is to the Minister of Agriculture and Food. How is it that a giant shopping mall, a hotel, a casino, and a racetrack qualify for water from a public body set up to provide irrigation?

The Speaker: The hon. minister.

Mr. Groeneveld: Thank you, Mr. Speaker. I guess that I can't particularly speak for the WID's motives or what they're going to do, but they certainly have an accountable process that they have to go through under these circumstances. It's up to the WID to consult their stakeholders through a public meeting. It's required by legislation. The public meeting is going to be held on June 21 in Strathmore. It's due process.

The Speaker: The hon. leader.

Dr. Taft: Well, thank you, Mr. Speaker. Irrigation water is not potable. It will need to be treated. My question is to the President of the Treasury Board. Can he confirm that millions of public dollars will be used to build a water treatment plant for this mega-mall development?

Mr. Snelgrove: You know what I can confirm? I can confirm that this government has taken the strategy of Water for Life very seriously. We have worked for decades to build regional water support systems for many, many communities across Alberta because we truly believe there are opportunities in rural Alberta that need water, and they need our help to get it, as with all of the major cities. Everyone understands the importance of water. Is there a secret deal to put water in Balzac? Absolutely not. Only in the opposition leader's mind, and he wants to continually stand up and do it. Bring forward the information. He makes an allegation. He then pretends it's true and throws the allegation on all the decent, hard-working people who are trying to provide water systems to all the corners of Alberta.

Dr. Taft: Well, again, Mr. Speaker, to the President of the Treasury Board: how does he justify spending millions of taxpayer dollars on a water treatment plant for a project financed by a major pension fund, the largest mall developer in this country? Why doesn't he allow the businesses to cover the cost of their own water treatment instead of taking the irrigation water for the farmers of this province and treating it for private developers at public expense?

Mr. Snelgrove: I wonder, Mr. Speaker, how he thinks West Edmonton Mall gets water. They deal with the municipality that they're in. They apply; they get water. They do it. How does every darn business in Alberta? We join systems, municipal systems, with the exception of some farms that have their own wells. The fact is that we are not supporting with millions of taxpayers' dollars the racetrack, the entertainment centre, and all the rest of his imaginary development out there. That is a business development on its own merit which has the right to work with the municipality that it is in to apply for water in the absolute normal course of business.

The Speaker: The hon. Member for Edmonton-Beverly-Clareview, followed by the hon. Member for Edmonton-Manning.

1:40 Teachers' Unfunded Pension Plan Task Force

Mr. Martin: Thank you, Mr. Speaker. This government seems determined to create labour chaos with Alberta's teachers. The latest provocation comes in the form of the government's choice for the so-called task force dealing with the teachers' unfunded pension liability. Allan Scott is well known in labour circles for all the wrong reasons. His actions during the Shaw Conference Centre strike in 2002 needlessly extended the strike and cost the city of Edmonton close to \$2 million. His appointment is yet another instance of the Minister of Education waving a red flag in front of the teachers.

The Speaker: The hon. minister.

Mr. Liepert: Well, Mr. Speaker, I didn't hear a question there. However, I would like to say that Mr. Scott is one of the finest businessmen in Edmonton, and I think the hon. member owes him an apology.

Mr. Martin: Mr. Speaker, he ran the Shaw Conference Centre in 2002, when he was the head of Economic Development Edmonton. The Labour Relations Board found that Mr. Scott and Economic Development Edmonton failed to bargain in good faith. They ordered him, and I quote: to cease and desist discriminating against union supporters. Now, my question is to the minister. Is this the type of individual you want dealing with the teachers? As I said, it's like throwing a red flag in front of them.

Mr. Liepert: Mr. Speaker, he's not dealing with the teachers. The idea of the task force is to go out and talk to Albertans. The hon. member can make a presentation if he so chooses, to find out what is a fair ask of the Alberta Teachers' Association from the taxpayers of Alberta for us to assume a \$2 billion liability. Mr. Scott will have nothing to do with the teachers and nothing to do with labour negotiations. So I have no idea what this guy is talking about.

Mr. Martin: Mr. Speaker, this is a person that's going to be giving this minister advice, and this is a person that the Labour Relations Board said to stop discriminating against union members. Now, why would you put this person on a board when you're dealing in labour relations? He is going to have a say on the teachers' unfunded liability.

Mr. Liepert: This process has absolutely nothing to do with labour negotiations. I keep trying to tell these guys over here that there are two separate issues. Labour negotiations are between school boards and the local ATA – school boards and local ATA. On the other hand, we have a task force that's going to go out there and hear from Albertans as to what is a fair ask of the Alberta Teachers' Association on behalf of us as taxpayers to assume a \$2 billion liability. There is no connection, and the hon. member is just raising a red herring that is just garbage.

The Speaker: The hon. Member for Edmonton-Manning, followed by the hon. Member for Rocky Mountain House.

Support for Seniors

Mr. Backs: Thank you, Mr. Speaker. It's Seniors' Week. I spoke at Londonderry lodge this morning to the wonderful seniors there. They always give me lots of ideas. There were about 30 lovely ladies there and Bill. Bill gets lots of attention. We talked about the growing numbers of seniors. Everyone here knows that the percentage of seniors will increase dramatically in coming years. The postwar baby boom and our first-rate Alberta health care system are reasons for that. We talked about the need for dignity and respect for our elders. We talked about the need for safe streets. But we talked the most about kids and the future and connecting children to the values of the past. My question is to the acting minister of seniors and such. What is your ministry doing to harness the creative power, the energy, and the wisdom of seniors in helping to involve them with children?

The Speaker: The hon. minister.

Mr. Groeneveld: Thank you, Mr. Speaker. I certainly would like to meet the 30 beautiful ladies that the hon. member met. But that's a good question. I will take it under advisement and pass it on to the minister of seniors and get back to him.

The Speaker: The hon. member.

Mr. Backs: Thank you. A supplementary to the same minister. Sweat-equity helping organizations, like Habitat for Humanity, have worked to help those who want to own a home work to achieve their goal. Many seniors are concerned about their rising housing and other costs. Seniors' skills would be valuable to add to many community pursuits. Will your ministry examine the concept of encouraging community organizations to establish seniors' sweat-equity credits that could be transferable to housing costs in the future, and what is the potential for this idea?

Mr. Groeneveld: Once again, Mr. Speaker, I certainly listen to the seniors minister, and he has very eloquent answers, much better than I can give, so I will have him get back on this.

The Speaker: The hon. member.

Mr. Backs: Thank you. Mr. Speaker, to the same minister. Renters' tax credits were a popular measure in the last great Alberta boom. Will the minister examine this as a relief measure for rent-stressed seniors, or could this be expanded to all renters?

Mr. Groeneveld: Once again, Mr. Speaker, I will take that under advisement.

The Speaker: The hon. Member for Rocky Mountain House, followed by the hon. Member for Edmonton-Glenora.

Beef Export Regulations

Mr. Lund: Thank you, Mr. Speaker. In Alberta the cervid, buffalo, and beef industries are a very, very important component of the agriculture industry. Ever since BSE was discovered in Alberta, the industry has been under siege, but thanks to all the support from the provincial government, they did survive. Moving forward to something that's near normal, it looked like it was about two steps forward, one back, but it looks now as though it's going to be two steps back since the value of the dollar has been increasing, and now I hear that there are new federal regulations coming into force. To the Minister of Agriculture and Food: what are the new regulations, and what is going to be impacted by them?

The Speaker: The hon. minister.

Mr. Groeneveld: Thank you, Mr. Speaker. Good question. The Canadian Food Inspection Agency is enhancing the existing feed ban by requiring the removal of all specified risk materials from all animal feed, pet food, and fertilizers. This ban is to come into effect on July 12 of this year. SRM tissues have been shown in infected cattle to contain concentrated levels of the BSE agent. This includes the brain, spine, and nerves surrounding the spine, to name a few. The new regulations affect cattle of all ages to some degree but more so over 30 months of age. One of the more frustrating aspects of these new regulations is the significant amount of meat that can be lost from each animal in removing these materials.

Mr. Lund: Well, Mr. Speaker, it sounds like the most choice parts of the animal now are going to have to be disposed of under the classification of an SRM. I have heard that there could be anywhere from 400 to 600 pounds of the carcass of the animal having to be disposed. Could the minister tell us how they are going to accommodate this much waste?

The Speaker: The hon. minister.

Mr. Groeneveld: Thank you, Mr. Speaker. Indeed, the hon. member's numbers are quite correct. In many cases new infrastructure will be needed to properly dispose of these materials. Rendering, of course, is one of the viable options for disposal at this point in time, but we have invested in funding to find new ways not only to dispose of some of this material but also gain value from it.

It seems that every time the animal carcass loses a bit of value, that loss always works down to the producer. We have to ensure that these costs are not passed down to the producer.

Mr. Lund: Well, Mr. Speaker, I know exactly how this all works. The fact is that it is passed down to the producer. Eventually it ends down at the cow-calf operator. Basically, they're right at the limit currently as far as their expenses are concerned and their returns. Is there going to be any assistance from government as it relates to this very, very disastrous position that we're finding ourselves in? Not only are we going to suffer a big loss on the sale of the best part of the animal, but we've also got to now dispose of all that waste.

The Speaker: The hon. minister.

Mr. Groeneveld: Well, thank you, Mr. Speaker. Yes, of course, he's indeed right. In March of this year Alberta made a joint announcement with the federal government committing up to \$40 million in our province to help our beef industry comply and adapt to the federal government's enhanced feed ban. This funding will help alleviate the costs of complying with this enhanced feed ban. As a province we've gone over and above what was required of us in ensuring that our producers are not on the hook for these disposal costs. I certainly continue to press the federal government to ensure that the necessary funding is available in order to comply with the federal regulations that they're imposing on us.

The Speaker: The hon. Member for Edmonton-Glenora, followed by the hon. Member for Calgary-Shaw.

1:50

Affordable Housing

Dr. B. Miller: Thank you, Mr. Speaker. The housing crisis in this province is hurting Albertans all the way along the housing continuum. The crisis goes beyond impacting people with very low incomes. The price of prosperity also means that home ownership is unattainable for our young families. Last year alone the average price of a resale home in Edmonton increased by 50 per cent. My question is to the Minister of Municipal Affairs and Housing. What advice do you have for hard-working young families who now find that home ownership in this province is unattainable?

The Speaker: Well, let's deal with policy.

Mr. Danyluk: Well, Mr. Speaker, it's a very difficult question, and it's not a black-and-white answer. Last year we had approximately a hundred thousand people that moved to Alberta. They didn't come with teachers, they didn't come with doctors, and for sure they didn't come with housing. This year in January, February, March we had, I believe, 11,500 people move in. Most of the people that move to this province move during the time that their kids are out of school, so the high months are June and July. We have tried to address the issue of housing for all individuals.

The Speaker: We'll go to the next question, please.

Dr. B. Miller: Thank you, Mr. Speaker. Well, some municipalities

have publicly funded home down payment assistance programs, as does the Real Estate Board, that help some first-time buyers. The housing task force recommended that a new Alberta home ownership assistance program be developed within six months, and your department just rejected that recommendation. Why, Mr. Minister?

Mr. Danyluk: Well, Mr. Speaker, the policy of this government is to try to address the needs of people in need. We're trying to help individuals that need support for affordable housing. We're trying to address individuals that are homeless. We are trying to address individuals that don't have the ability to pay for their own lodging. Last year we had 50,000 homes that were built. In essence, that also provides support and lodging for individuals from the affordable housing.

The Speaker: The hon. member.

Dr. B. Miller: Thank you, Mr. Speaker. My last supplementary is for the Minister of Employment, Immigration and Industry. Average home prices are starting to exceed \$450,000. Teachers, nurses, artists, musicians, daycare workers, writers, restaurant workers, and many, many more Albertans can't afford to live in our home province anymore. Our sons and daughters are being forced to leave, including my own. Maybe the minister of employment is unwilling to do anything to keep Albertans at home because she knows there will be temporary foreign workers to fill the gap. My question is: given that the high costs of living in this province are forcing Albertans to leave, why has your department not made housing a labour force issue? Why don't you demand that your government do more?

Ms Evans: Well, Mr. Speaker, the hon. member makes an interesting point about the need for housing when we're attracting workers and so much economic development. It is, in fact, something in the broadest sense of the word, needs that we are evaluating when we look at the development of the Heartland, for example. It's not only about roads. It's about housing; it's about infrastructure. I think the point is well made, and it is a part of economic activity to make sure that you have the capacity to deal with housing. So, in fact, it is something we look at.

I don't want to overlook the point that was made by the Minister of Municipal Affairs and Housing because even if our anticipated average growth this year is 47,700 housing units, we'll have housing at an average of three people per home for over 143,000 people.

The Speaker: The hon. Member for Calgary-Shaw, followed by the hon. Member for Edmonton-Ellerslie.

Mount Royal College

Mrs. Ady: Thank you, Mr. Speaker. A week ago it was my privilege to attend the graduation of the first graduating class from Centennial high school in my riding. As I spoke to the graduates, one of the things I asked them was to not let that be their last graduation, to ensure that they got further education. One of the ways that as government we've helped to facilitate that is by giving new degrees to Mount Royal College. So my questions are for the Minister of Advanced Education and Technology. How is your ministry providing for and supporting both the college's growth and its role in meeting this important need for these graduates?

The Speaker: The hon. minister.

Mr. Horner: Well, thank you, Mr. Speaker. It is a very good question. We want to ensure that all of the students in Calgary that want to move on to postsecondary education have the appropriate pathways for them to achieve their life's successes. The government has taken significant steps to address the needs of Mount Royal over the past several months, including, as has been mentioned in this House, the announcement of extended nursing spaces. We intend to add more as the years go on. But it means more nursing spaces for Calgary. Mount Royal will be enrolling 260 nursing students in '07-08, which will grow to 980 students by '10-11. We're looking at expanding spaces in other postsecondaries in Calgary as well.

The Speaker: The hon. member.

Mrs. Ady: Thank you, Mr. Speaker. My first supplemental is also to the same minister. Mount Royal's capital requirements also need to be considered in light of this growth. What are you doing to ensure that the college has the facilities that it needs?

The Speaker: The hon. minister.

Mr. Horner: Thank you, Mr. Speaker. As we expand the number of spaces at the college, we obviously are going to have to expand some of the infrastructure that's there, but it should also be noted that in July of just last year the college opened its brand new \$94 million Lincoln Park campus, which included the learning centre. That was just completed and opened in 2006. We are aware of Mount Royal's current capital needs and some of the needs that are going to be occurring based on the expansion of spaces that we are going to have to do for them over the coming years, and we are working with them on some very innovative ideas.

The Speaker: The hon. member?

The hon. Member for Edmonton-Ellerslie, followed by the hon. Member for Calgary-Fort.

Renter Assistance

Mr. Agnihotri: Thank you, Mr. Speaker. My questions are to the Minister of Municipal Affairs and Housing. One month ago Jim Sexsmith, a constituent from my wonderful riding of Edmonton-Ellerslie, visited the Legislature to appeal to this government to take action to make housing more affordable. After three weeks the minister finally told Jim that his only option is to get on a waiting list. Does the minister think it's fair to put a disabled senior on a two-year waiting list for an affordable place to live?

Mr. Danyluk: Well, Mr. Speaker, I'm sorry. I don't personally know the details of the individual. All I can tell you is that approximately three weeks ago we had two visitations of groups of individuals that came in. There were approximately 25 the first day, and I'm not exactly sure how many the second. Anyway, nine individuals stayed to have discussions with our staff to see if we could support them. Out of those nine we did have eight that we had made contact with. I'm sorry; I don't know the details. But I will say . . .

The Speaker: The hon. member.

Mr. Agnihotri: Thank you, Mr. Speaker. To the same minister. When presented with Jim's situation last month, the minister claimed he would look after it. Was putting Jim on a waiting list the best option the minister could offer?

Mr. Danyluk: Mr. Speaker, when we look at support for individuals that need affordable housing, we do look at the individuals that need help the most. There are criteria. The staff has criteria that they do use. If there is something that was overlooked, we will have my staff look at it again.

The Speaker: The hon. member.

Mr. Agnihotri: Thank you, Mr. Speaker. To the same minister again. Jim came here again today to advocate for affordable housing measures. Jim is lucky, though, because his building has a new owner, who will not be increasing the rent by 20 per cent, as he had expected. To the minister of housing: what about the rest of Alberta seniors on fixed incomes who want to maintain homes in this province but can't afford double-digit rent increases?

Mr. Danyluk: Well, Mr. Speaker, the hon. member makes a very good point. I think it's increasingly apparent that it is necessary to have housing continually being built in order to accommodate individuals with affordable housing or individuals that need housing. That is exactly what we're trying to do.

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

Calgary Bow River Weir Project

Mr. Cao: Well, thank you, Mr. Speaker. The Bow River irrigation weir has been in place in Calgary for over a hundred years. The existing structure was built in 1975, and plans to reconstruct for safety and renaturalization has been under way for the last six years. Like any other construction, this Harvie Passage project is subject to rising costs. The original estimate was \$6.4 million. It has risen to \$11 million. My constituents and I are very grateful that the project has received an additional \$2.5 million from lottery funding.

2:00

The Speaker: I'm afraid I'm going to have to ask. I'm sure there's a minister who anticipates the question. The hon. minister.

Mr. Goudreau: Thank you, Mr. Speaker. Certainly, the hon. member was kind enough to indicate to me that he would be asking me a question. I want to say that we're very pleased that the Alberta lottery funding could provide the additional funding to support this worthy project. The weir diverts water to farmers in the Western irrigation district, and the reconstruction will maintain this particular purpose but also increase the safety and make it possible for humans and fish to travel from one side of Calgary to the other. I understand that construction can't begin until this fall in order to accommodate fish habitat. But if costs continue to rise, then the partnership may be able to raise their funding privately or may need to make a case for additional funding.

The Speaker: The hon. member.

Mr. Cao: Thank you, Mr. Speaker. That is exactly the answer I need.

Mr. Speaker, my question is for the same minister. Could the project apply for the major community facilities program if additional support is required?

Mr. Goudreau: Mr. Speaker, certainly, we're very pleased to indicate that our ministry was able to initially fund this project under

the other initiatives program, as the member stated, for an additional \$2.5 million. The weir project partnership, if costs continue to rise, could apply for additional funding under the major community facilities program. I want to indicate that \$70 million has been allocated to projects in Calgary over the next two years, which is a quarter of the dollars that were approved under the major community facilities program.

The Speaker: The hon. member.

Mr. Cao: Well, thank you, Mr. Speaker. When the project is completed, Calgarians can float down the river from Bowness park to Carseland, which is about 20, 25 kilometres in length, and the fish can rejoin their families after generations of separation by the weir. My question is to the same minister. Will the minister promise that he will attend the opening of the Harvie Passage when it's completed?

Mr. Goudreau: Mr. Speaker, it would be my pleasure to be part of those ceremonies. We recognize the importance of that river project. Certainly, it provides a tremendous service to not only Calgarians but everybody else downstream.

The Speaker: Hon. member, if it's determined that there will be a fish fry at the opening, then you will have defeated everything that you've advocated for today.

The hon. Member for Edmonton-Calder, followed by the hon. Member for Edmonton-Mill Woods.

AltaLink Electricity Transmission Line

Mr. Eggen: Thanks, Mr. Speaker. The hearings into the proposed AltaLink 500 kV transmission line have been a kangaroo court from the start. Residents have not been properly consulted. There have been allegations of threats from land agents, bungled needs assessments, and in April the EUB decided to allow only written submissions and to force interested parties to watch via video feed. My questions are to the Minister of Energy. Given that there has been a string of serious errors, serious breaches of protocol, and a complete lack of transparency in this process, will the minister commit to calling a public inquiry into this proposed line?

Mr. Knight: Well, Mr. Speaker, let me make it very clear that this government, under this current Premier, has a plan to make Alberta stronger. Part of that strength comes in the form of a stronger backbone to deliver electricity around the province. There is a process in place. That process has been constructive, and it has been very positive for many, many years. The issue that's in front of them right now will be properly addressed, and at the end of the day the results will speak for themselves.

Mr. Eggen: Well, Mr. Speaker, on top of the stress and hardship that this process is causing for landowners, delays and fumbling around the planning for electricity transmission could potentially cause system troubles down the road. The solution isn't just to slap together a plan and try to push it past the EUB. Proper planning was needed from the start, and that's why we see these delays. Why hasn't this happened, and why won't the minister now allow a public inquiry to find out what's going on and what's gone wrong?

The Speaker: The hon. minister.

Mr. Knight: Well, thank you very much, Mr. Speaker. It's very

interesting, the comments that are here today. I would suggest that perhaps the hon. member would want to get in touch with somebody today in Lake Louise. They have a single transmission line into the town of Lake Louise, which went down because of flood waters in one of the mountain creeks. They now have no electricity available in Lake Louise. They would have probably been very well served by additional transmission. What we have here is an NDP individual that's suggesting that we shouldn't do anything. No damn progress: that's what it stands for.

Mr. Eggen: Well, if the Minister of Energy did his job properly and if the EUB did their job properly and the systems operator, then maybe we would have electricity flowing. But now we don't. We see in the newspaper that we're going to have a shortage, and that's going to be passed on to the consumer. At the end of the day I'm very concerned that we don't know much of the cost of this transmission line. Is it going to be stuck onto Alberta taxpayers' bills every month? Will the minister commit right here, right now to ensure that people who stand to profit from this line will foot the bill and not regular consumers?

Mr. Knight: Yes, Mr. Speaker. I will stand here today and say that in the province of Alberta under the current regulated transmission system – and it's been in place since 2003 – the consumers of the province of Alberta pay for transmission that delivers electricity for their consumption. Let us not forget, again, that the consumers are 85 per cent industrial.

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

Affordable Accessible Housing

Mrs. Mather: Thank you, Mr. Speaker. With all the talk of rising real estate prices and rental costs it is extremely important we remember that this crisis is about real people who face real challenges to the quality of their lives. For example, this crisis has meant that people with disabilities are unable to find housing that is both affordable and accessible. When this type of housing is unavailable, people with disabilities may be forced to try to function in situations where it is difficult for them to complete even simple daily tasks. To the Minister of Municipal Affairs and Housing: what is being done to help people with disabilities who are forced to sacrifice their independence and standard of living because they cannot find appropriate housing?

Mr. Danyluk: Well, Mr. Speaker, I very much recognize some of the challenges that individuals have in regard to housing. I want to say that we have supported programs and housing initiatives that do support individuals that are handicapped, individuals that have other challenges, and we are going to try to continue to do so. As well, in the new municipal sustainability initiatives there is funding in place for municipalities to make those choices, for them to decide what they believe are the priorities of the community.

The Speaker: The hon. member.

Mrs. Mather: Thank you, Mr. Speaker. If the minister does find the situation unacceptable, surely he will help two of the people here today. The first person, Jocelyn Tremblay, is currently living at the Glenrose hospital. Jocelyn finished her rehabilitation program over two months ago, but her inability to find accessible housing has forced her to stay there. Jocelyn tried to apply for the innovative

housing program but was told not to bother, that the wait was too long. To the Minister of Municipal Affairs and Housing. Now Jocelyn is on the Capital Region Housing wait-list, which we all know is over two years long. She just cannot live in a hospital for two more years. What advice do you have for her today?

Mr. Danyluk: Well, first of all, Mr. Speaker, I would very much like her to contact either my staff or the staff of EII. We will definitely look at her situation, as we try to do with others, and try to address her needs as well.

2:10

The Speaker: The hon. member.

Mrs. Mather: Thank you, Mr. Speaker. Sheena Alexis is a single mother with two children who receives income supports and is currently living in Capital Region housing. Her housing is not completely accessible and is in very poor condition. Her complaints about problems with mice have gone ignored. This house is located in an unsafe area, and in the last six months her home has been broken into twice. Sheena put in a request to transfer last year but has not had any response. To the Minister of Municipal Affairs and Housing. Sheena desperately wants to move to a better environment for her children, but she has run out of options. Can you help her today?

Mr. Danyluk: Well, Mr. Speaker, again, I would suggest that she contact our ministry or the Ministry of Employment, Immigration and Industry, and we will look at her case and see if there's any way that we can support her.

The Speaker: The hon. Member for Calgary-Nose Hill, followed by the hon. Member for Edmonton-Meadowlark.

Glenbow Ranch Provincial Park

Dr. Brown: Thank you, Mr. Speaker. Last summer an exciting agreement was announced by our government to acquire land on the Bow River west of Calgary to create a new provincial park, to be called the Glenbow Ranch provincial park. The area consists of over 3,000 acres of spectacular landscape and will provide major recreational opportunities for the people of Calgary and visitors from elsewhere in the province. My questions are all for the Minister of Tourism, Parks, Recreation and Culture. What progress is being made on finalizing the transfer of land and converting the ranch operations from agricultural use to park use?

The Speaker: The hon. minister.

Mr. Goudreau: Thank you, Mr. Speaker. The Glenbow Ranch provincial park spans 14 kilometres of the Bow River valley between Calgary and Cochrane. Its size is roughly equal to Fish Creek provincial park. Our first priority is to preserve this beautiful landscape and sensitive ecosystem. Since the land agreement was announced, a broad planning exercise has begun, including a detailed land survey. The land transfer, I may add for the hon. member, was completed in March of this year. Biophysical and inventory work is under way prior to developing a plan which will identify the types of visitor opportunities that may be provided.

Dr. Brown: Given the initial commitment of \$40 million to acquire the land, can the minister give assurances that the necessary funding will be in place to build the facilities to allow visitors to enjoy the park?

Mr. Goudreau: Mr. Speaker, budget approval so far has been only for the land acquisition. The department will request developmental and operating dollars once our necessary planning is completed. Let me add that the Harvie family has committed \$3 million to the development of that particular provincial park as well.

Dr. Brown: Can the minister advise Calgarians and other Albertans when they will be able to enjoy and access the new Glenbow Ranch provincial park?

Mr. Goudreau: Mr. Speaker, presently access is prohibited to protect the landscape and ecological balance during the transition from ranchland to parkland. Access is at least one year away. We expect to be able to open the new park to the public in late 2008 or early 2009.

The Speaker: The hon. Member for Edmonton-Meadowlark, followed by the hon. Member for Calgary-Lougheed.

Urban Campus Partnership

Mr. Tougas: Thank you, Mr. Speaker. Calgarians are desperate for more postsecondary education spaces. It's a sad fact that every year, thanks to years of government neglect, too many well-qualified young adults are turned away from institutions in Calgary. We're in danger of failing an entire generation of students. Calgary institutions came together over two years ago and offered the Campus Calgary plan to create these much-needed extra spaces. They need the full commitment of this government – real, tangible assistance – to achieve their goals. My questions are to the Minister of Advanced Education and Technology. Does the minister believe that the government has any chance of creating the 20,000 extra spaces by 2010 – that's just three years from now – that these institutions are asking for?

Mr. Horner: Actually, Mr. Speaker, we have a very good working relationship right now with the urban campus concept, which I believe the hon. member is referring to, but I might point out, too, that not all institutions in Calgary are actually involved in that urban campus proposal. Secondly, individual institutions have been providing the department with individual plans for their capital expansions. What we're suggesting is a regional approach to this based on the needs analysis, which I've said many times in this House is what we're doing, based on the roles, responsibilities, mandate framework, which we believe will be completed sometime late August. We also have meetings scheduled with the University of Calgary and the other proponents of the urban campus for early July, to sit down and just see if there's a true need for the urban campus in addition to all of the other capacity or if we just need to do something on a regional basis.

Mr. Tougas: Mr. Speaker, the Alberta Liberals are looking forward to Mount Royal College achieving a greater degree-granting status, which we've been asking for for some time, but in order for Mount Royal graduates to have their baccalaureate degrees recognized all over Canada, these degrees need to be acknowledged as adequate by the Association of Universities and Colleges of Canada. Currently that body considers Mount Royal library to be insufficient to the purposes of a budding university, and this will impact the national recognition of their degrees. To the minister: when will Mount Royal receive funding for the library it needs so that undergraduate education is recognized across the country?

Mr. Horner: Well, Mr. Speaker, partly the facts are right; partly the

facts are wrong. First of all, the accreditation of the courses is not based on what AUCC accreditation will give. We have the Campus Alberta quality control council, that reviews our degrees and the course loads. The institutions between themselves are the ones that decide which ones will be accredited for their individual institutions.

In Alberta, based on the Campus Alberta approach, we want to have a very transparent, transferable ability for students to create their own pathways within our system. Other institutions across Canada are recognizing that system and are saying: we want to be a part of that, too, because of the pool of students that we have. To say that there is one institution that is being penalized because they're not getting degree-granting status is probably wrong, Mr. Speaker, but we are giving Mount Royal a pathway to their success in their roles and responsibilities.

The Speaker: The hon. member.

Mr. Tougas: Nothing else, no.

The Speaker: The hon. Member for Calgary-Lougheed, followed by the hon. Member for Edmonton-Centre.

Biodiversity Opportunities

Mr. Rodney: Thank you, Mr. Speaker. Recent reports have highlighted efforts in British Columbia to turn waste wood which is directly resultant from mountain pine beetle infestation into green energy. My question is to the Minister of Sustainable Resource Development. What is this province doing to take advantage of this new bioeconomy opportunity?

The Speaker: The hon. minister.

Dr. Morton: Thank you, Mr. Speaker. Alberta is developing bioeconomy initiatives through two different strategies: the life science strategies and also the securing tomorrow's prosperity strategy. We are exploring the full range of biorefinery possibilities offered by this emerging field, including bioenergy, biofuels, and bioproducts. This fits with the Alberta government's commitment to realize greater value-added from all our natural resources, and it also meshes with our support for a globally competitive forestry industry in Alberta that embraces new technologies for the pulp mills, the strandboard plants, and the lumber mills.

Thank you.

Mr. Rodney: The first supplemental to the same minister. I realize that 45 seconds is a short amount of time, and it's great to hear about the interest of turning, you know, bad news into good news, but I'd like some more practical terms and some specifics on the actual opportunities and how they can be turned into realities.

The Speaker: The hon. minister.

Dr. Morton: Thank you, Mr. Speaker. Alberta has two principal sources of feedstock for our bioeconomy: agricultural products and the forestry industry. SRD is working with Alberta Agriculture and Food and also with Alberta Energy to advance a nine-point bioenergy strategy that was announced last fall. This government has committed to a five-year, \$239 million investment to promote biorefinery initiatives in the agricultural and bioforestry industries. We're also working with Alberta Energy and Advanced Education through the Alberta Research Council to support research into the technology that drives bioeconomies.

The Speaker: The hon. member.

Mr. Rodney: No. I'm okay. Thanks.

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

Continuing Care Standards

Ms Blakeman: Thank you very much, Mr. Speaker. There are no provincial definitions outlining the health services, level of care, and personal costs residents can expect in each kind of continuing care facility, including long-term care, assisted living, and supportive living. The Auditor General pointed out over two years ago that without these standards "residents may not be receiving an appropriate level of continuing care, housing or personal care services." My question is to the minister of health. When is the minister going to establish clear, province-wide definitions to clarify what services and level of care can be expected in each continuing care setting?

The Speaker: The hon. Minister of Health and Wellness.

Mr. Hancock: Well, thank you, Mr. Speaker. I think that's a very important question, one that is the subject of ongoing work. I'll be working with the minister of seniors with respect to that continuum of care: how we define the particular care areas and, most importantly, how each is appropriately paid for. I've said, I think, a number of times in this House that we really want to focus on patient-centred care, on the individual being able to make the right choice for that individual with the health support that that individual needs either to live in their own home or to have assisted living in the community or, if necessary, to be in a long-term care centre, and not fund just based on the name of the institution.

2:20

The Speaker: The hon. member.

Ms Blakeman: Thank you. To the same minister. Well, Mr. Speaker, many Albertans faced with choosing a continuing care facility have trouble understanding the basket of services and level of care available in each facility and in each region. What is the minister going to do to ensure that all facilities outline in unambiguous terms who is responsible for the cost and delivery of services so that families can choose the facility that best meets their needs?

Mr. Hancock: Well, Mr. Speaker, this is actually a very complex question because depending on where you are, what the size of the community is, and what the nature of the facility is, you may be actually offering different levels of services. I'm aware, for example, of an excellent facility in one of our smaller communities in northern Alberta where we have exactly this issue, where we have an individual whose care need has changed but there's no desire to move to a place that would actually support that care need. So it's not as simple as it may sound, and the important thing is to have the structure to allow families to know what they can get and where they can get it.

The Speaker: The hon. member.

Ms Blakeman: Thank you very much. Again to the same minister: given that more and more dependent seniors are being reclassified into assisted living settings in which they are responsible for more cost, what protections are in place to prevent price gouging in these settings?

Mr. Hancock: Well, again, Mr. Speaker, a very important question and not one to give an easy, simplistic answer to. Again, in many communities you don't actually have either the ability or the need for a number of different facilities, so we have to actually redesign the system to focus on the patient or the person in need of care, make sure that the funding is appropriate to the care need on the health side, make sure that the housing costs are appropriately handled by either the family or the community, and make sure, as the hon. member asks, that there's not gouging involved but that we have the appropriate level of care and the appropriate choice for the family and the person who needs the care.

The Speaker: Hon. members, that was 90 questions and answers today.

Before we proceed with the remainder of the Routine, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

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

Mr. Doerksen: Mr. Speaker, I am proud today to introduce to you a large group of guests from the St. Francis of Assisi school in that remarkable and beautiful city of Red Deer. I would like to introduce all the students by name, but I don't have their names. I would like to introduce the teachers and the parents and the helpers that are accompanying these students, and I apologize in advance if I mispronounce some names. I'd like to introduce to you teachers Miss Patricia Marques, Mr. Brian Munro, Mr. Brad Diduch, Mrs. Cara Joyce, Miss Sandra Heisler, and parents and helpers Ms Tina Diplacido, Mrs. Marlene Slipp, Mrs. Kerrie Jobs, Mrs. Patty Elkins, Mrs. Eileen Bantjes, Mrs. Candy Fertig, and Mrs. Debra Marcoux. I would ask all of these guests to rise and receive the warm welcome not only from myself and my colleague from Red Deer-North but all members of the Assembly.

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

Rev. Abbott: Well, thank you, Mr. Speaker. We're also very blessed today to have 28 of Alberta's brightest and best students from the glorious village of Thorsby. From Thorsby high school we have 28 students as well as three teachers and helpers. They are Kim van Steenis, Sam Kobeluck, and Lorraine Kuzio. I would ask all of the guests to please rise and receive the traditional warm welcome of the Assembly.

head: **Members' Statements**
(continued)

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

Royalty Revenues

Mr. MacDonald: Thank you, Mr. Speaker. The central question in the royalty review is: do Albertans receive a fair share? Current royalties are not meeting the government's own modest Crown revenue share target of 20 to 25 per cent. This failure cost Albertans \$16 billion in lost revenue over the past six years.

I have some suggestions to bring us up to the 25 per cent fair share. When conventional crude oil prices were a fraction of what they are today, the government introduced various royalty holidays. In his annual report the Auditor General notes that these holidays reduced Crown royalties by \$1.5 billion dollars in the last two years.

At a time when commodity prices are at high levels, the government should consider amending or removing these programs. The generic royalty regime for oil sands has outlived its utility. The allowed costs that are outlined in the oil sands royalty regulation should be changed. For example, royalties should not be reduced in order to give the CEO of an oil sands company his \$2 million annual corporate bonus.

With regard to the conventional natural gas, the U.S. calculates royalties on the Henry hub gas price to project what they get in natural gas royalties. The Henry hub price should be used to calculate the royalty rate also in this province. Doing so would give us a more accurate assessment of the value of our natural gas production and higher royalties.

In Alberta the coal-bed methane royalty is calculated on the productivity rate of the well. The majority of the gas production from coal-bed methane wells is subject to the normal low-productivity well allowance. The EUB notes that coal-bed methane production will represent 13 per cent of total marketable gas production in Alberta by 2016. A coal-bed methane royalty rate of 12 and a half per cent should be introduced and subject to review annually. In order to ensure that Albertans receive a fair market value for their resources, the government should conduct a full public review of the royalty regime every five years.

Thank you.

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

Water Management

Mr. Eggen: Thanks, Mr. Speaker. Despite the numerous warnings concerning the future of our water supplies, this government continues to approve projects whose ecological impact is still unknown. One instance of this dubious style of development is the megamall and racetrack project in the Balzac area, that hit the planning board without any confirmation that there would be enough water to sustain the project.

Our water security is threatened from many fronts, including tar sand development, population growth, increasing demands on agricultural practices, and global warming. More people need potable water and an expanded sewer system, and it is the government's responsibility that population growth is ecologically sustainable.

One trend of economic expansion that is particularly worrisome is the hasty approval of tar sand projects without a proper assessment of their combined impacts on water resources. At present it takes approximately between two and five barrels or more of water to produce one barrel of bitumen. In other words, we need to multiply the 2,700,000 barrels of crude produced every day by a factor of four or five to understand the amount of water that is required for daily bitumen extraction in the industry. As a result, over the long term the Athabasca River may not have sufficient water to meet the needs of all the planned mining operations and still maintain adequate stream flows.

Climate change and economic growth will make water scarcity an even more pressing problem. The current housing crisis has demonstrated how this government deals with pressures of growth. Mr. Speaker, we need to plan for growth in this province in a manner that is more ecologically sustainable. It is time to seriously consider extending to other watersheds the sorts of restrictions that the Bow and Oldman systems have and ensure proper monitoring and enforcement of existing rules. It is also necessary to quicken the implementation of environmental management frameworks before more projects are approved.

Thank you.

head: **Introduction of Bills**

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

Bill 213

Regulatory Accountability and Transparency Act

Mr. Backs: Thank you, Mr. Speaker. I request leave to introduce Bill 213, the Regulatory Accountability and Transparency Act.

The purpose of Bill 213 is to reduce the burden of excessive regulation on all Albertans to reduce red tape. This will ensure that our Alberta advantage remains that way and that our economy is focused on productive work, not excessive regulations.

[Motion carried; Bill 213 read a first time]

head: **Tabling Returns and Reports**

The Speaker: The hon. Minister of Agriculture and Food.

Mr. Groeneveld: Thank you, Mr. Speaker. I'm pleased to table responses to questions raised during Committee of Supply for Ag and Food on May 30, 2007.

Thank you very much.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I have two tablings today. The first is a letter that I wrote on September 13, 2006. It's to the former Minister of Finance, indicating that if we are going to give a lot of money to golf courses, we should find a few dollars for Edmonton public schools who had to cancel a program.

2:30

I have another one. This is also a letter. It's dated May 24, 2007, to the hon. Minister of Energy, and it's questions I have regarding "the high pressure steam pipeline rupture that occurred earlier this month involving MEG Energy [Corporation's] Christina Lake Regional Project." I have yet to receive an answer.

Thank you.

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. On behalf of the Minister of Employment, Immigration and Industry I'm tabling the requisite copies of a letter to the Member for Edmonton-Beverly-Clareview with respect to a commitment she made to him in Committee of Supply regarding reviewing the issue of a living wage.

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

Mr. Martin: Thank you, Mr. Speaker. Today I'm tabling documents that show another loophole in the government's hastily passed Bill 34. I have a letter from Midwest Property Management Ltd. that was sent to constituents of mine. The renters were told that an initial rent increase has been temporarily suspended, but renters will now be responsible for paying for the cost of heat in addition to the rent. It's not technically a rent increase, but they'll still be paying more.

Thank you.

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

Mr. Eggen: Thanks, Mr. Speaker. I would like to table copies of a

letter from Susan Meyer. Susan and her family recently moved here from Manitoba, and she supports rent guidelines as they have in that province. She feels that there is a need to consider fairness for working families from this government on this issue here in the province.

Thanks.

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

Mr. Backs: Thank you, Mr. Speaker. I am pleased to rise today with one tabling. I am tabling the annual report for Catholic Social Services. Their annual meeting and luncheon was held yesterday, and I was pleased to attend. Dr. Christopher Leung and Father Ron Rolheiser gave moving words, and we were also honoured with greetings from the Catholic Archbishop of Edmonton, the new one, the Most Reverend Richard Smith.

Thank you.

head: **Tablings to the Clerk**

The Clerk: I wish to advise the House that the following documents were deposited with the office of the Clerk. On behalf of the President of the Treasury Board and Minister of Service Alberta responses to the question raised by the hon. Member for Edmonton-Rutherford on May 29, 2007, departments of the Treasury Board and Service Alberta 2007-08 main estimates debate.

head: **Projected Government Business**

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

Mr. R. Miller: Thank you very much, Mr. Speaker. Pursuant to Standing Order 7(6) I would ask the Government House Leader if he could share with us the projected government business for the week of June 11 to 14.

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. On Monday, June 11, just for the advice of the House we anticipate introducing for first reading Bill 43, the Appropriation Act, 2007, and Bill 44, Miscellaneous Statutes Amendment Act, 2007.

On Tuesday, June 12, under Introduction of Bills it would be anticipated that we would introduce Bill 41, the Health Professions Statutes Amendment Act, 2007; Bill 42, the Insurance Amendment Act, 2007; and Bill 45, the Smoke-free Places (Tobacco Reduction) Amendment Act, 2007. Under Government Motions it is anticipated that there would be Government Motion 28, which would be with respect to the adjournment of the spring sitting, and Government Motion 29, which would anticipate a motion to ask the House to suspend its normal routine on Thursday of next week so as to allow the Lieutenant Governor to attend at approximately 1 o'clock to provide royal assent. We would then proceed to government business: for second reading Bill 43, the Appropriation Act; Bill 44, the Miscellaneous Statutes Amendment Act; Bill Pr. 1, the CyberPol – The Global Centre for Securing Cyberspace Act; and time permitting, third reading on Bill 26, Municipal Government Amendment Act, 2007; Bill 29, the Farm Implement Amendment Act, 2007; Bill 32, the Animal Health Act; Bill 33, the Town of Bashaw and Village of Ferintosh Water Authorization Act; and Bill 39, Engineering, Geological and Geophysical Professions Amendment Act. In the circumstance of those bills being dealt with, we would deal with other bills as per the Order Paper in consultation with the opposition House leaders.

On Wednesday, June 13, under Introduction of Bills we would introduce Bill 46 for first reading, the Alberta Utilities Commission Act. Under Government Bills and Orders, Orders of the Day, we would be again in Committee of the Whole on Bill 43, the Appropriation Act, 2007; Bill 44, Miscellaneous Statutes Amendment Act, 2007; and Bill Pr.1, the CyberPol – The Global Centre for Securing Cyberspace Act; and third reading on Bill Pr. 1, Bill 44; I would anticipate asking the House for unanimous consent to proceed with third reading of Bill 43, the Appropriation Act, in order that it might be available for the Lieutenant Governor to give royal assent on Thursday before we do government business – that would be, obviously, at the pleasure of the House – and other third readings as progress is needed and other bills on the Order Paper should we deal with those third readings that I mentioned for Tuesday.

Thursday afternoon, if it's the pleasure of the House, we will have the attendance of the Lieutenant Governor at 1:30 for Royal Assent and then third readings as per the Order Paper and such other business as we may be able agree upon with opposition House leaders.

head: **Orders of the Day**

head: **Committee of Supply**

[Mr. Shariff in the chair]

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

head: **Main Estimates 2007-08**

The Deputy Chair: As per our Standing Order the first hour and a half is set aside for the Liberal caucus, the next half-hour is set aside for the New Democratic caucus, and the last hour is set aside for any private member. Before we proceed, I just wanted to check with the Liberal caucus whether the 10-minute allocation system is what they would prefer, or would you like a 20-minute back-and-forth question and answer session?

Mr. Bonko: We can go 10 minutes.

The Deputy Chair: Ten-minute slots. Very well.

**Energy
Sustainable Resource Development
Municipal Affairs and Housing
Environment**

The Deputy Chair: For opening remarks we'll call upon the hon. Minister of Sustainable Resource Development to introduce his officials. To the officials I'd like to say that should you require a glass of water or a coffee, please raise your hands. A page will come by and provide you with that.

The hon. Minister of Sustainable Resource Development.

Dr. Morton: Thank you, Mr. Chairman. I'm here today with the Minister of Energy, the Minister of Environment, and the Minister of Municipal Affairs and Housing. With your permission I'll make some introductory remarks about the Stelmach government's plans for land use, and then I and the three other ministers . . .

2:40

The Deputy Chair: Hon. minister, I think this has happened one too many times. You know that we do not mention names of current members of the Assembly. Please proceed.

Dr. Morton: I'll make some remarks about our government's plans for land use, and I and the three other ministers will be happy to answer the questions of all the hon. members with your permission.

The challenge facing Alberta today when it comes to land use is simple but daunting. What steps do we take? What new policies or programs do we need to put in place to ensure that life in the province of Alberta in 2030 is as good as life today? We must recognize that everything we do in Alberta takes space. There are more and more of us, and we are doing more and more things.

The unprecedented population growth that we've seen in recent decades: in 25 years our population has grown to 3.4 million from 2.3 million, an increase of nearly 50 per cent. If this rate of growth continues, we'll pass 5 million people living here 25 years from now, and much of that growth will be along the Edmonton-Calgary-Red Deer corridor.

This greater number of Albertans are doing more and more things. When it comes to drilling activity, drilling activity has quadrupled over the last 20 years. Twenty years ago the annual number of wells drilled was less than 5,000. Last year there were more than 20,000 wells drilled in Alberta. Much of this is due to the increase in coal-bed methane drilling. Just seven years ago there were fewer than 50 coal-bed methane wells drilled in Alberta. Last year there were over 10,000. It's the same story up north in the oil sands. Oil sands production has more than doubled since the 1980s, from a million barrels a day to now over 2 million. It's expected to double again by 2015.

So there are more and more people doing more and more activities but on the same piece of land. Everything we do takes space. If we allow ourselves to try to keep doing everything in the same space at the same time, there'll inevitably be conflicts. Let me take a simple but telling example. Take your backyard as an example. Most of us in our backyard would have space for a patio, a swing set, a garden, maybe a dog kennel, and a compost pile. If they're all in their right place, the backyard works, but if all of those things are on top of one another, things don't work at all. Similar problems, of course, if we transfer back into the real world. For example, if we sell subsurface rights on land where we've said that we don't want any surface disruption, such as special places, then we have a conflict.

In addition to industrial use, of course, and all these new people, we have more and more recreational use. People expect to be able to go onto public lands for hiking, hunting, fishing, horseback riding, yet often these same lands are also used, have multiple uses, in the area of forestry, oil and gas, grazing, tourism, and settlement. Just several weeks ago we saw the problems that occurred when too many people tried to camp in the same area in one of our natural areas, and particularly the use of off-highway vehicle users on the May long weekend, another interesting point in time in terms of increase. In terms of off-highway vehicle ownership, this ownership has quadrupled in the past 10 years, from 20,000 to 80,000. In short, once again, more and more people trying to do more and more things on the same piece of land. The outcome is less than optimal for everybody.

Another way of capturing this issue of land use is to think in terms of our agenda shifting from quantity of life issues, economic issues, to also including quality of life issues. Not by coincidence, I would suggest, just on Monday of this past week, June 4, there was a poll reported in the *Calgary Herald* that said that Calgarians are more concerned about the falling quality of life in their booming city than the residents of any other city in western Canada. Almost half of Calgarians said that their quality of life had deteriorated in the past five years, and 36 per cent expected it would deteriorate further.

Now, we all know that Calgary is not Alberta except, perhaps, for Dave Bronconnier. But still this attitude captures why we need a

land-use framework. To put it differently, the purpose of a land-use framework is to avoid not having to say this to our grandchildren in 20 years. We don't want to look our grandchildren in the eyes and say: I wish you could have seen Alberta 20 years ago. That's what we don't want, and that's why we're going to have a land-use framework.

Some unfriendly interpreters have suggested that our call for a new land-use framework is a criticism of the Klein government for not attending to this, but nothing could be further from the truth. Premier Klein in his four consecutive governments met the challenges that faced Alberta in the 1990s, restarting the economy that had been devastated by Pierre Trudeau's disastrous national energy policy, reversing a chronic structural deficit in government spending that had run up over \$24 billion in debt. The bold leadership of Ralph Klein met these challenges. Indeed, the challenges we face today are the result of the success of Ralph Klein's government. Premier Klein did what had to be done on his watch, and now it's our turn to do what needs to be done on our watch.

That's what our Premier and leader of this government is doing: meeting the new challenge, the challenge of unprecedented growth and prosperity. The Premier has made meeting this challenge a mandate, a priority of his government and also of his ministers. He has assigned the land-use framework to me as the lead minister on this in my mandate letter. But the land-use framework is more than just a government priority. For me it's a personal priority. Like many others I moved to Alberta. I'm not native; I moved to Alberta. I came here to make a living, but I've chosen to stay in Alberta to make a life because I don't want to live anywhere else in Canada or anywhere else in the world. I believe that my cabinet colleagues in the six other lead ministries share this view, and we're committed to working together to collaborate to make it happen.

We will be busy in the coming months. We plan to have a draft framework available by December 2007. We think, obviously, that this is a challenge but also a great opportunity, an opportunity for Alberta to show national and even global leadership on sustainable resource management, an opportunity stated, quite simply, once again: to assure that life in Alberta will be as good for our grandchildren as it has been for our generation.

Thank you.

The Deputy Chair: Hon. members, we still have about two minutes and 24 seconds. Would the other ministers like to introduce their officials to use up the two minutes? Hon. Minister of Environment, just an introduction.

Mr. Renner: Well, sure, I'd be happy to introduce although this is the fifth time we've been here, so we're all getting quite familiar with the place. I have with me my deputy minister, Peter Watson, and assistant deputy minister John Knapp.

The Deputy Chair: Hon. Minister of Municipal Affairs and Housing, do you have any officials to introduce?

Mr. Danyluk: Well, Mr. Chairman, I would like to introduce Brian Quickfall, who is the assistant deputy minister in my department.

The Deputy Chair: Very well.

The hon. Member for Edmonton-Decore.

Mr. Bonko: Thank you, Mr. Chairman. I'll lead off with the cross-ministries. We talked about Environment, Municipal Affairs, Energy, and SRD. I may as well start off with Sustainable Resource Development as he was the first one to lead off as well.

This is almost the same as we were talking about during our estimates here. The ministers talk about more and more people taking up space. Well, that is true when you have more and more people here, but you've got to talk about just taking up space or using smart space. There's smart growth, and there's just dumb growth. We've had, you know, poorly planned growth – and I'll just call it dumb growth – for the last 10, 15 years because we haven't had a land-use framework policy, something to be able to guide the municipalities, something to be able to guide Albertans over the next 20, 30, 40 years so that we can assure our grandchildren that the Alberta that we're looking for is the Alberta that we grew up with.

I'm a native Albertan. I've been here all my life. I can tell you that it has changed since I was a younger person going into the outdoors compared to how it is now. We're already seeing that change. Whether that change will continue to take effect, where we can tell our grandchildren, "You know, it has changed, but it hasn't changed quite as much," that's yet to be determined, but it already has changed. When you call it smart growth, as you say, over the Klein years, I beg to differ. Jeffrey Simpson, who was addressing the Alberta Congress Board up in Banff, called it the bozo years because there was absolutely zero and no direction up there. It was just basically: run by the seat of your pants, with no plan. That's exactly what the Premier had admitted: that they didn't have a plan. So to go there and say that there was smart growth and we had a plan and we developed it strategically I think is a crock.

Anyways, getting on to the whole point of this debate, we're talking about the growth. We've got many competing interests for our lands. We've got economic with regard to drilling, urban sprawl, recreation as well. We've got to be able to manage those, as I said earlier, smart.

2:50

We've got the competing interests with the economic and drilling with regard to our overall environment. Our animals are constantly under threat. The ministry has talked about it being a 90 per cent success rate so far with regard to our species. Right off the bat, he's already saying that 10 per cent are in fact suffering. I don't think that's an acceptable number. Why would you already discount 10 per cent of our species? It should be a hundred per cent, and we should accept nothing less than a hundred per cent. The fact is – you know what? – there might be a slippage, but to acknowledge that 90 per cent is acceptable or satisfactory, I think, is completely unacceptable for this government, that's charged with the stewardship of maintaining the integrity of our lands as well as protecting our species at risk and endangered animals.

I'm concerned about just our overall urban sprawl. We might as well go down to the south, where the minister resides. You go out there with Cochrane, Canmore, and all the other areas out there. More and more people are seeking to have the bigger lots, and it's evident as you drive from Calgary going out towards Banff. You see the sprawling acreages, and it's beautiful. Who wouldn't want to be out there in the midst of the mountains? But you know what? It's just not sustainable for you to have six and 10 and 12 acres for one family. We've got to be able to cut back a little bit because that's prime land, and that's going to be where a lot of our people come to see the natural wonders of Alberta. We talked about being a natural tourist draw, but if we continue to have urban sprawl, who wants to, you know, travel for an hour and just look at houses vastly spaced throughout the entire landscape before you get to the mountains?

Recreation. The minister talked about off-road vehicles or off-road use. During our deliberation with Sustainable Resource Development I asked if the minister would in fact put some of that land aside. I think that would be prudent, and that would be a good

measure to be able to see some of this growth. People always want to be able to go out there with their off-road vehicles, their quads, and, you know, rip it up a bit. I know that they do it up in Cadomin, and there's a lot of devastation up there on some of it because I don't think it's been adequately monitored. Depending on the week that you go up, you might find the officers checking for licences and making sure that people are on the paths.

I think that if we designate down to the south or at least halfway in the province, about four quadrants would be great; you know, 10 square miles. Wherever you find that land, you've got to find it sooner than later to allow these off-road vehicles their opportunity to be able to have their own space so that they're not competing with or running into the animals that are out there in the great wilderness. To have something that's set aside, specifically designated for off-road vehicle use, I think would be a step in the right direction.

You'd be looking well in advance, and then they know where they're allowed to go. You don't have to worry so much about them doing any off-road, off the paths, or running through the streams and that because they've got that land that's already been designated, set aside. You've already checked out with all the checks and balances for the department and made sure there's nothing fragile that's going to be damaged, and let them have their piece of it. Setting something aside, I think, would be far, far more visionary than we are right now in just letting them go willy-nilly, wherever they choose to go. That's part of my concern with the piece as it is right now.

The minister talked about quality versus quantity, and I think that's a very valid comment. Quality versus quantity. You said that, you know, Calgarians maybe aren't so concerned or that at least in all of Canada maybe they're less concerned with their quality than they are with their quantity. I would prefer to say that we'd be more with our quality of life than our quantity, but maybe that's just splitting hairs in that particular piece.

We talked about recreational use a little bit. The urban sprawl: again, this is one of the highly contentious issues. We've got counties as well as cities vying for the same spaces. Obviously, the larger cities such as Edmonton and Grande Prairie or Fort McMurray are at a disadvantage because they've been at the brink of their space right now for a number of years, so they know that they have to go up or make the lots tighter and tighter. Some of the counties are able to continue to expand, with little or no space with regard to the same ones that we have to compete with in the cities. They're making the lots that much smaller, whereas in the county – I guess that why you move out to the rural areas is to be able to have the larger areas. Eventually we know that we're going to be running into the same tightness there, and we've got to have some real land-use specifics there.

I'm hoping that the minister will be able to comment with regard to economic viability and drilling versus the environment itself. We talk about the plan that we're talking about and getting a number of stakeholders to come forward with their plans for the land-use framework, but I didn't think the minister had answered, during my debate there, whether oil and gas are going to be completely on the table with regard to the land use or are going to be off. Certainly, that's a big deal with regard to the competing interests of the land use. In fact, if it is detrimental, is that going to be slowing the economy?

I mean, we all realize that up to 50 per cent of the people directly and indirectly earn their income from the oil and gas sector. The Liberals don't want to see the economy slow down in any way, shape, or form, but what we do want to ensure is that there is smart development, smart growth, that takes effect that would consider all those particular pieces. We've got to make sure that if we're going to continue to allow expansion into some fragile areas – and we'll

talk about Marie Lake – at what point do we say that we're going to draw the line? Is everything for sale?

There are some areas – and people have been coming and giving petitions for the last few weeks since this was in fact introduced or the permit was given for this exploration or testing for the seismic. At what point are we going to put our feet down and say: "You know what? There are some areas that just aren't worth going in and destroying because of the beauty and the overall value that Albertans have for it." You can't, you know, do directional drilling and expect no ill effects from it.

I've nailed a number of specifics there. I know that I have about another minute, but I'll stop there, and maybe we'll get some answers, then. Thank you.

Dr. Morton: Mr. Chairman, I identify about five distinct questions there, and I'll try to quickly answer several of them. On the question of oil and gas and land use, I might ask the Minister of Energy. Then on the question of urban/rural competition, I'll also ask the Minister of Municipal Affairs and Housing to help answer.

To begin with, you talked about smart growth over the past 10 years, complaining that you thought the good old days had already been lost. Normally, I'd say to the Member for Edmonton-Decore that I envy his relative youth compared to most of the ministers on this side of the aisle, but with youth comes a lack of memory of certain things. A lot of your members have talked about the current housing crisis. If you want to see a housing crisis, you should have – well, you were here, but you wouldn't remember the 1980s, when people were losing their houses left and right for a dollar. That's what a real housing crisis is. That's what Premier Klein dug us out of.

I'll give you a little free political advice: if you want to win elections in this province, don't rely on Jeffrey Simpson and the *Globe and Mail* for analysis of Alberta politics. Calling Alberta bozos when the province of Ontario elected an NDP government that went in debt a billion dollars a month for 50 months, \$50 billion in 50 months, when this government, the government of Ralph Klein, was paying off a \$24 billion debt – the bozos were back in Ontario.

Coming back to the topic of urban sprawl, I'll simply let the Minister of Municipal Affairs and Housing answer most of that, but I'll just say that I have met with and have also participated in or sat in on the Calgary Regional Partnership, one meeting, and then I've sat in on one of their two-day workshops. I'll be attending their annual general meeting in Banff tomorrow, in fact addressing it. I've read all their materials. I think it's a good example of what I want for the future of our larger metropolitan areas and I think what you want, too, in terms of co-operation. I'll let the minister of municipal affairs say more on that in a moment.

3:00

On off-highway vehicles I'd simply say that no government was set to deal with the increase from 20,000 ten years ago to 80,000 now. Nobody could have predicted that. In terms of dealing with off-highway recreation, I would point out that in a number of areas we have brought in access plans or forest land-use zones, in the Bighorn and in the Ghost. As far as the area down south I don't want to get ahead of myself, but watch what we'll be doing there in the coming months, for the July, August, and September long weekends. I agree with you or maybe you agree with me that a designated area, a bog area, for the larger trucks and the boys with toys is a good idea, and we're pursuing that too. But I can assure you that it won't be on sensitive public wetlands the way it happened on the May long weekend.

With respect to whether or not the oil and gas issues and the

question of land sales will be discussed as part of the land-use framework, the answer is obviously yes. Yes, it will be. But I'll repeat what you know: this government is in the business of managing growth, not stopping growth. So any recommendations there will be progressive and proactive, but I'll leave it to the Minister of Energy to elaborate on that.

Finally, with respect to species at risk our business plan actually does establish a target of less than 5 per cent, not 10 per cent, of our wild species being at risk, as you see on page 302 of the business plan. Our last actual assessment in 2005-2006 indicated that about 2.2 per cent are at risk. I think your 10 per cent figure was referring to the report that was released in January.

Mr. Bonko: February.

Dr. Morton: February. Okay. It was a slightly different calculation.

That finishes my remarks, Mr. Chairman, and I'll turn it over to some of the other ministers, as I've indicated.

The Deputy Chair: Hon. ministers, we have about four or four and a half minutes, so if anybody wants to add on any response, you may do so now. The hon. minister of housing.

Mr. Danyluk: Well, thank you very much, Mr. Chairman. Maybe I will start off from the aspect of saying that the focus when we talk about municipalities is not so much the disputes between municipalities, but we try to look at the co-operation that municipalities should and could have. I want to say just in answer to the question that when mediation doesn't work, we have the Municipal Government Board that will deal with any disputes in areas like annexation. We continue to encourage intermunicipal co-operation through planned development and also through funding, as the municipal sustainability initiative I believe has done. Our ministry has looked at the recommendations from the Minister's Council on Municipal Sustainability and is going to provide responses to recommendations, and one of them, of course, is the dispute resolution.

In closing, Mr. Chairman, in relation to sprawl, sprawl for sure is a concern. When we talk about competing municipalities, I believe that co-operation needs to happen. We need to have regional planning. We need to have intermunicipal planning. We need to reduce duplication. But I think most important is that we need to work together so that we reduce the footprint where not necessary.

The Deputy Chair: The hon. Minister of Energy.

Mr. Knight: Thank you, Mr. Chairman. Just quickly to add to the comments that the hon. minister made with respect to the land-use framework and tenure in the province of Alberta. There is, you know, a relatively robust process in place. What I'd like to say is that if a request for posting comes forward, there is an interdepartmental committee that reviews each posting. It's the mineral disposition review committee, and they would allow only posting of appropriate parcels.

Mr. Chairman, I think it's also fair to say that the tenure system that has been in place in Alberta for a number of years and the bonus bid system and posting arrangements really are the cornerstone of the success of the energy industry in Alberta. They are looked at from outside of Alberta as models that other people would certainly like to be able to achieve. So I would agree with the minister that tenure and the successful bonus bid system will most certainly come up for discussion with respect to the land-use framework, and I believe that it would be appropriate to include those discussions and continue to allow those discussions openly with Albertans. With a

degree of caution I would suggest that . . . [Mr. Knight's speaking time expired]

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

Mr. MacDonald: Thank you very much, Mr. Chairman. It's a pleasure to participate in this cross-ministry discussion. We've got a lot to talk about, and we don't have that much time. Hopefully, we'll get some additional time later on.

Certainly, I would like to start with Sustainable Resource Development. The department was recently before the Public Accounts Committee. There was a rather robust, vigorous discussion that I enjoyed listening to. It was interesting, and questions from all sides were addressed and answered. I was very interested in the questions concerning the grazing leases. I found that quite interesting. Taxpayers are always discussing grazing leases. They don't understand how they work, how much money is involved, and why, for instance, the owners of the grazing leases in some cases can have surface rights or access rights.

However, I feel compelled at this time to correct the hon. Minister of Sustainable Resource Development. He's talking about the work that was done by the former Premier, the former Member for Calgary-Elbow, and I would have to remind him that he was also part of that government. In fact, he was Minister of Environment when we had this spending spree. It wasn't the New Democrats or it wasn't a government in Ontario or a government in Ottawa that put this province in debt. It was this Progressive Conservative government that put us in debt. It was no one else. So if we're going to talk about history, hon. Mr. Minister, read the entire chapter. Just don't pick little bits of it and make a speech.

Now, Mr. Chairman, I'm looking at volume 1 of the Auditor General's report and specifically page 5. There are some audit objectives and some conclusions and findings to those audits and some recommendations made by the Auditor General regarding the Ministry of Sustainable Resource Development. In the absence of the minister at Public Accounts I would really appreciate his take on this page from the AG's report, page 5, specifically key recommendations 13 and I believe 15 as well.

3:10

Now, the Auditor General asks this question:

Does SRD have adequate systems to regulate reforestation?

Its regulation activities include:

- developing and maintaining standards
- monitoring and enforcing compliance
- reporting its performance
- evaluating results

In the conclusion to this question – does Sustainable Resource Development have adequate systems to regulate reforestation? – this is what the Auditor General states:

Although SRD took three initiatives to improve its regulatory activities, it must still do more. Currently, SRD does not know what results it achieves. Lack of performance information is a critical problem.

To their credit Sustainable Resource Development

- implemented a reforestation monitoring program.
- emphasized to forestry operators the importance of their reforestation data.
- is developing public reporting information on reforested areas satisfactorily restocked.

Now, the AG's recommendations, there are five to the ministry:

1. Produce timely performance reports to confirm results.
2. Strengthen quality control process that produce performance information, and re-examine if its target for the reforestation rate performance measure actually measures reforestation.

3. Strengthen monitoring of reforestation.
4. Sign agreement with forestry association to clarify accountability expectations.
5. Improve controls over seed supply used for reforestation.

Now, these are some of the Auditor General's concerns, and I would really appreciate during the course of this afternoon's discussion and debate if the minister could respond on the record to how these things are going.

Also, I have an additional number of questions. Now, I'm looking at the budget, and I don't know where all this would fit into the budget, and hopefully the minister can clarify all this for me. I apologize; I can't recall the date, but I recall in the *Alberta Gazette* recently where there was an order in council put through where there was an extension to the lease of the Canmore golf course. There would be provincial Crown land involved in this. I even forget – I apologize, Mr. Chairman – how many years that this lease had already been in existence, and it has been extended for a period of time, I think for another 30 or 40 years. I'm not sure, but the lease still had a long way to go. There were 22 years, hon. minister, left in this lease, and I would like to know why at this time the lease was extended. Why did it not expire and then get into negotiations?

I would also like to know if there was an increase in the amount of money received from this golf course through to the department and through to the general revenue fund, hopefully, for this lease, all the details surrounding the extension of this lease at this time for that golf course just outside the Banff park gates. I would appreciate that. The money that is collected in that lease, where do I find it in the budget?

Also, I see under element 3.0.3, nominal sum disposals, that there is an estimate of \$4 million there, and this gets me to my second question, Mr. Chairman, and it's around Elinor Lake, up in the Bonnyville-Cold Lake area.

Mr. Danyluk: Lac La Biche.

Mr. MacDonald: Lac La Biche. I stand corrected. Pardon me. I always get you and the hon. Member for Bonnyville-Cold Lake confused, and I apologize, hon. minister.

Now, this Elinor Lake, there was a couple hundred acres at least sold. This is just west of the lake that we're contemplating naming after the former Premier, as I understand it.

Mr. Danyluk: I didn't know that.

Mr. MacDonald: Yes. I've been reading the local papers up there, and there's quite a discussion on whether we should name a local lake after the Premier. I hope there's good fishing there, and he and the hon. Member for Athabasca-Redwater can go there and catch some pickerel.

Anyway, I was reading in the same newspaper, and I noticed this smaller parcel of land, and it's west, as I recall, of Elinor Lake. It was sold, I think, for \$500,000, and I would like to know all the details surrounding that sale. How many other properties are there like that around the province that the department puts up for sale? Are they advertised publicly? I think I would have made an effort to come up with some money. I think it was around 2,500 bucks an acre for this prime recreational land. I would have talked it over with my family if I thought I could bid on that competitively and if that would be the highest price that one would have to pay in order to acquire this land. Not only around Elinor Lake but around the entire province what inventory of land do you have that you sell in this manner? Who makes the decision to sell it? Does the public have access to all the information prior to its sale? When it's sold, where do I find it in the report?

Now, Mr. Chairman, those are some of the questions that I have regarding Sustainable Resource Development. I certainly have more questions for the hon. Minister of Environment and, particularly, the hon. Minister of Energy. If I could have answers to those questions at this time, I would be very grateful.

Thank you.

Dr. Morton: Mr. Chairman, I'll address first the question on reforestation, then the Canmore golf course, and then the question about Elinor Lake and land sales. Are there any other ministers that want to get involved in this round?

On the reforestation issue, the hon. member is correct that the Auditor General did identify this as a concern, but I'm happy to report that we have responded to those concerns in a very proactive fashion. Actually, the province of Alberta, the government of Alberta, has some of the most rigorous reforestation standards in Canada. We initially developed a performance measure in 2004-2005 on reforestation with a target of an 80 per cent reforestation rate in harvested areas based on a new reforestation performance survey. After this target was established, the ministry recognized that more data was required to assess the proposed 80 per cent target to determine if adjustments are required. So following discussions with the Auditor General, the target was removed from the business plan and will be reintroduced based on actual performance survey results.

The Auditor General reported that the SRD reforestation policy is sound but that more rigour is needed to manage information and interpret the initial 14-year performance survey information. SRD responded to last year's AG report by developing an action plan that improves reforestation monitoring and management. As the hon. member indicated, our forestry operations management has been increased and looks after that.

On a personal note I'll just add that last month I spent an afternoon in Kananaskis in some of the areas that have been subject to Spray Lakes Sawmills' logging and forestry in that area since the 1940s. I visited reforestation areas that were five, 10, and 20 years old and was suitably impressed by the success of that reforestation.

Just last week I had an opportunity. On Saturday I was down in the West Castle area, just in the very southwest corner of the province. There's some forest down there that's considered some of the most important wilderness area now in the province, and there's a big push on to create a new provincial park down there. At the very centre of this is an area that was harvested in the 1950s and, again, has reforested so well that, as I said, it's considered almost a wilderness area now.

3:20

A second question has to do with the Canmore golf course. The Canmore golf course is a public course, and I'd be happy to take the hon. member there to play. We'd pay the fee like anybody else. As a general rule for these types of leases that assist municipalities with public recreation facilities, we have a long history of these types of leases, and they're seen as contributing, certainly, to the quality of life of Albertans and also in areas like Canmore have an economic benefit to the community because, of course, they're available to tourism as well.

Now, the specifics on the Canmore golf course. The question is correct: its lease has been extended to 2054. The original lease was given in 1979 for a golf course. It was a 50-year lease. The reason that the course, the club, which, again, I point out is a not-for-profit, public club, requested an additional 25-year extension to the term of the lease to provide for certainty of the facility due to the increased demands for private recreation development in the Canmore area.

I think that translated, that means that they wanted to do some capital improvements to enhance the facilities there, but they didn't want to do it without the assurance that they would keep the lease for an appropriate length of time.

The club pays an annual rental fee of \$809.63 pursuant to the Sustainable Resource Development schedule of charges, and you wanted to know where in the budget that's reported. If you go to page 343 and look under Premiums, Fees, and Licences, the third line under Revenue, that's where it's recorded. Do you want me to repeat that, or will you get it from the *Hansard*?

Mr. MacDonald: No. I'm right there. Thank you.

Dr. Morton: You're a sharp fellow, sometimes.

Now, there was some question about land sales, Elinor Lake and land sales more generally, and concern about whether or not the government of Alberta is receiving fair market value. Certain land sales have occurred such as the Elinor Lake Resort where a land developer purchased the land. I guess that this left the impression with some people that fair market value was not paid. That's not the case, and I'll explain why.

There are two kinds of sales. To current disposition holders and municipalities: these are referred to as priority sales or private sales as they do not go through a public auction process. The second is to third parties through public auction. All sales, I would emphasize, though, are based on fair market value assessment by qualified third-party appraisers.

The process is as follows. A land disposition request application comes in, generally from individuals or an application to purchase received from individuals, corporations, or often municipalities that are looking to purchase Crown land. They initiate the request. Public land suitable for sale and held under a long-term lease for commercial or recreational purposes with substantial improvements may be sold to the leaseholder at current appraised value without competition. These are referred to as priority or private land sales. Also, municipalities may purchase public land. This would be a public municipality, obviously. They may purchase land for \$1 if it is to be used for public works, and they enter into a sell-back agreement that if the land use changes, it comes back to us, back to the government of Alberta. Sustainable Resource Development must charge the nominal sum disposal budget with the difference between fair market value and \$1. Land that's deemed suitable for sale is appraised by an independent, accredited appraiser. I think I've already said that.

I think that probably covers most of your questions there, so unless there are any other additions, I'll leave it at that.

The Deputy Chair: We have about a minute and 50 seconds. Any minister want to supplement any of the questions there?

There being none, the hon. Member for Edmonton-Decore.

Mr. Bonko: Thank you, Mr. Chairman. The minister of municipal affairs was concerned that he was going to be left out of the whole process. Well, I assure you that he wasn't, and we'll start with him next, then.

How will the minister convince municipalities to buy into the provincial land-use strategy? The government has defended the complete autonomy of municipalities by allowing them to make their own decisions. As evidenced clearly by their opposition to Bill 211, that was proposed by the Member for Calgary-Currie, I believe, the Planning for the Future of Communities Act, the government clearly believes that municipalities making their own decisions in isolation, as the Municipal Government Act permits, is the best way to plan.

However, a provincial land-use strategy will have to take precedence over the municipal authority as they do right now.

Municipalities will have to conform to the land-use planning decisions within the framework of the strategy. How will the minister address the conflicts that are going to be arising, I guess, between the Municipal Government Act and the provincial land-use strategy? Will he amend the MGA to ensure that municipality bylaws conform to the framework that the province sets? Without this, the provincial land-use strategy will basically be meaningless unless we have this sort of agreement that's going to occur.

Different municipalities have different pressures facing them. The provincial land-use strategy must consider this. The pressures facing the capital region may obviously be different than those of Medicine Hat or Lac La Biche-St. Paul. How will this be addressed in the formation of the land-use strategy? Will the natural person powers granted to the municipalities in the MGA be altered in any way to facilitate the objectives of the provincial land-use strategy? Will municipalities be given full input into the development of the strategy? At what point will they be sitting down and be able to hammer out when it gets down to the completion part?

There are many factors that must be included in a provincial framework. Elements contained within these integrated growth plans could be population projections and allocations; policies, goals, and criteria relating to an issue such as intensity and density; urban sprawl; location/density of industries; as well as the protection of sensitive and significant lands, including agricultural lands and water resources; infrastructure development and community design. With all these factors being included in the provincial land-use strategy, I'm hoping that they in fact will include that. That's a large area to encompass and contemplate within that whole framework.

We talked about Bill 211. Essentially, you know, it's a provincial land-use strategy, but it could encompass much more. It would protect agricultural lands, preserve watersheds, forests, and rivers. It would address the air quality issues, promote healthier living by Albertans by encouraging open spaces and parklands. It would also set limits where urban boundaries can expand to and cannot expand to. I'm hoping that those are some of the specifics that would be addressed. That would also be able to guide the development of Alberta well into the future. However, the government was absolutely opposed to this bill and what it represents with regard to second reading. Can the minister tell us how we can have any faith in the ability of the government to deliver a truly effective land-use strategy when they are so opposed to the concept of growth areas and plans with regard to regional planning in high-growth areas?

Subject to any other areas with regard to the rivers, streams, and water courses right now, I think that's controlled with regard to the municipality. Will that ability be taken away from them, where they're going to be under the land-use framework? Like I said: "within the municipality, including the air space above and the ground below." Is that going to be included in that? Will the minister amend the section of the MGA to bring it in line with the provincial water objectives under the Water for Life and the provincial land-use strategies?

Now, I know there are just a couple. I don't know if the Member for Edmonton-Gold Bar wants to take over on some of this, or do you want me to continue on this?

3:30

Mr. MacDonald: You go ahead.

Mr. Bonko: Okay. I just wanted to make sure you got a fair shot on that too.

There are other areas of the MGA that give municipalities

significant control over their own development, and maybe I'll quote those for the minister. Maybe he'll be able to answer me with regard to those. The Municipal Government Act, part 17, section 617, planning and development: "The purpose of this Part and the regulations and bylaws under this Part is to provide means whereby plans and related matters may be prepared and adopted." We want to make sure that they achieve an orderly, economic, and beneficial development of the land and patterns of human settlement. We want to make sure that the urban sprawl doesn't continue, as I said in the earlier piece there, because we want to have smart growth, whereas we're going to have to start going up and reducing our footprint on the land. I think we all agree within all the ministries that that is, you know, first and foremost. The most paramount thing that all municipalities as well as Alberta is facing right now is to lessen that footprint.

We've seen it not only just as a pressure here for Alberta municipalities but throughout Canada, where we know that the large centres, in fact, are being very much conscientious of their growth patterns and their effect. Now they've got some of the municipalities, large cities such as Toronto, where they're having to issue warnings with regard to the smog. I'm hoping that we're a long way from that stuff as in L.A., where they have a number of days in the summertime when it's so polluted that they have to issue advisory warnings for its citizens.

Like I said, I'm hoping that we are a long way away from that particular piece with regard to our competing interests when we have our industries just outside our larger urban areas. We've got the competing interests, and the municipalities certainly have raised some issues with regard to Upgrader Alley, just outside the northeast quadrant of Edmonton. Fort Saskatchewan: there are a number of proposed upgraders out there. How will those compete with the province's plans with regard to smart growth? Certainly, Edmonton has raised the issue as to its concerns with regard to the environmental impact as well as the use of water and how that affects the Edmonton area.

I know that there are probably a number of questions. I'll let you answer some of those. There will probably be time, and I'll get back up on that one again, then, Mr. Chairman.

The Deputy Chair: The hon. Minister of Municipal Affairs and Housing.

Mr. Danyluk: Well, thank you very much, Mr. Chairman. Let me first start off with talking a little bit about what was and what is and what we hope could be. First of all, what was prior to 1995 were regional planning commissions.

Mr. MacDonald: Yeah, and we should bring them back.

Mr. Danyluk: Pardon me?

Mr. MacDonald: Now that Steve West is gone, bring them back.

Mr. Danyluk: With Steve or without?

The Deputy Chair: Hon. members, first of all, go through the chair. Currently the Minister of Municipal Affairs and Housing has the floor.

Mr. Danyluk: Thank you very much, Mr. Chairman. As I stated before, the regional planning commissions were in place prior to 1995. There were some challenges with that form of planning as the planning was predominantly by population. What did occur was that

urban centres had, I would say, maybe more voice. At least that was the perception of rural municipalities, for sure. What did happen when you looked at the planning commissions, sometimes it curtailed growth – or I guess I can say muzzled growth – to the point that it eliminated growth.

Mr. Chairman, in 1995 this government got rid of the planning commissions and gave municipalities complete autonomy. Complete autonomy I think in some instances worked very well, but what it did do was eliminate some planning and especially what I would say was the co-operative planning. Without having that co-operative planning, what took place was that there seemed to be and there was an overlap or duplication of services, of infrastructure. With the recent growth pressures that our province has, municipalities, this government cannot really afford duplication. It's very important that municipalities work together. It's very important, as I said earlier, to have municipalities work together, to work together in co-operation so that we eliminate some of those areas.

[Mr. Eggen in the chair]

Mr. Chairman, this government has looked at municipalities: some of the challenges that they have, some of the issues that they have brought forward, and especially some of their requests for having initiatives and incentives to work together. Through the municipal sustainability initiative I know that these initiatives have provided those incentives to help municipalities work together. I think that is very progressive. There needs to be co-operation. The land-use strategy is not a strategy that is going to take one ministry to guide the future of where this government is going.

As you see here today, upon the request of the opposition and the third party you have four ministries before you. These four ministries have one main, common focus, and that is to work together towards a land-use strategy, to make and have an effective development of land, to work simultaneously, and, as I said previously, to have less of a footprint. The land-use framework is exactly that. It is a framework that is intended to be adopted by this government of Alberta as an overarching strategic policy that will provide provincial-level direction and guidance for land-use planning and management. It will define a vision for future land use, an approach to address balance. And I stress to you, Mr. Chairman, balance because I think that is what is very necessary: balance, the various demands of our lands, and our natural resources.

[Mr. Shariff in the chair]

Mr. Chairman, I would ask if the Minister of Sustainable Resource Development would have any more to comment, especially, maybe, one of the questions that was asked of waters and streams and what support he may have to those questions.

Dr. Morton: Well, on water and streams I will defer to the Minister of Environment.

I will just reaffirm what the minister of municipal affairs just said, that certainly there'll be no proposal for an all-powerful land-use czar sitting in Edmonton trying to solve all the problems of the urban/rural conflict in Alberta. It's very clear from everything I've seen so far that with successful regional planning initiatives, the key factor is that it's driven from the grassroots, that it's community based. I think to the extent that we succeed in addressing issues of co-operation and co-ordination and planning in the metropolitan Edmonton and metropolitan Calgary areas that the key will be that sort of locally driven commitment.

I'd refer the hon. member to take a look at the report that will be

tabled tomorrow in Canmore by the Calgary Regional Partnership as an example of a report that talks about respecting the autonomy of municipalities but, at the same time, achieving co-operation and co-ordination. What it says, if I can paraphrase, is that the government of Alberta should not coerce co-operation but facilitate co-operation and co-ordination by means of appropriate financial incentives and other appropriate policy tools. I think that's a nice way of stating it, and that's an approach that I think you'll see more of as the land-use framework develops.

Thank you.

3:40

The Deputy Chair: We still have about a minute and 50 seconds. Does any other minister want to supplement? The Minister of Environment.

Mr. Renner: Thank you, Mr. Chairman. I think that the member brings out a reality that we're all dealing with on this file, that there is overlap. There will always be overlap. The land-use strategy deals with issues of conflicting interest of land and deals with big pictures. There are municipal interests, there are individual interests, there are corporate interests, and there are government interests. Overarching all of that is the protection of the environment and the protection of rivers and streams in this particular case. There's nothing that is going to be negotiated into a land-use strategy that is going to allow for discretion on setbacks from rivers and forestry management and those kinds of things with respect to maintaining the ecosystem and maintaining the health of our water bodies.

I think we need to be clear that there is a great deal of work to be done on the issue of land-use strategy and conflicting interest of land, but there are some overarching principles that have to remain clean in that entire process. I don't think that I would get any argument from any of the other ministers that are involved in the strategy that those kinds of principles that protect our water, that protect our air would not be subject to the discussions and perhaps negotiations that would be involved in developing new land-use strategies.

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

Mr. MacDonald: Thank you very much, Mr. Chairman. The majority of my questions this time, if you don't mind, please, would be directed to the Minister of Energy. But before that – because I'm apt to run out of time – I would like the Minister of Environment's opinion on this, please. It is the EUB's 2007-2016 supply/demand outlook. It was released publicly two days ago, and it is an interesting snapshot of not only oil and gas development and production across the province, but it also for the first time includes details on electricity supply and demand.

It has been discussed many times in this House how we need to enhance or encourage more renewable power sources. The EUB maintains that about 5 per cent, Mr. Chairman, of Alberta's current electricity capacity is classified as renewable power that includes biomass and wind energy. They go on at length here to talk about some of the new wind projects that have been connected to the electricity grid in Alberta last year. They indicate here that Alberta's wind farms and turbines have the potential to supply a maximum of 387 megawatts of electricity to the grid.

You go a little further along, and they state that

in 2006, coal-fired power plants generated 63 per cent of the province's electricity . . . natural gas and hydro accounted for 31 and 3 per cent respectively. The remaining 3 per cent of electricity was generated by wind and other renewable sources.

You flip the page, and the EUB has a very interesting bar graph that

goes out through to 2016. Alberta's electricity generation is going to be in four sectors: coal, natural gas, hydro, and other. The "other," of course, includes renewable sources, and it doesn't seem to be growing at an anticipated rate. In my opinion it certainly doesn't satisfy our policy directives. I would suggest – and I may be wrong – that it doesn't meet the Minister of Environment's standards either.

I think we need to do a lot more to encourage and to incent the development of renewable forms of electricity. I know the limitations and restrictions there are on wind power because of the reliability issue, but certainly there are other forms of renewable energy that I think we should develop in this province. There's no percentage here, Mr. Chairman, that I have found to indicate that eight or nine years from now we're still going to only have 5 or 6 per cent of our electricity produced from renewable sources. I don't think it's good enough. If the minister could comment on that, I would be very grateful.

Certainly, there is a lot of work to do, and I think the Minister of Energy and his department will be instrumental in cleaning up our power plants, our coal-fired, baseload power plants through the development of CO₂ sequestration. I think this is a very good policy for the government to pursue whether it's with CO₂ sequestration from the oil sands or with our baseload coal-fired electricity plants. I think it can be done. We certainly need more research and development, but I think we should be going ahead with that. If there's such a thing as a fast-forward, I think we really should be implementing a fast-forward on the research and development of our CO₂ sequestration.

I read with interest in the paper today where the province of Quebec is implementing a carbon tax. Well, I considered your initiative, hon. minister, earlier this session to be a carbon tax. If that money that is to be collected, starting at \$15 a tonne, is to be perhaps put into research and development on CO₂ sequestration, it would be very, very worth while. The report didn't mention your bill, the newspaper account that I read this morning, and I thought it should have.

But, certainly, now with the Minister of Energy, you spoke earlier in question period about 85 per cent of the electricity use in this province being industrial. I would really appreciate if you could have a look at the EUB because they're quoting a different statistic. They give us a different number in section 9.2.3, electricity demand in Alberta. There certainly are industrial and commercial needs that would come up into the 80s there, but I think to say that 85 per cent of all electricity consumed is for industrial purposes is an amount that would include commercial users as well.

Now, the land. The hon. minister talked earlier about tenure. How much land is left to sell in this province for oil and gas exploration? I know that some always is coming back into the system, but how much is left? Is the patch going to slowly migrate further west to northeastern B.C. or over to Saskatchewan? How much land exactly is left that could be sold for oil and gas exploration?

3:50

I'd like to talk a little bit more, if you don't mind, about the Alberta Energy and Utilities Board. The current approval process that the EUB uses when looking at project applications does not contribute to a sustainable land-use plan. When he announced his retirement, the former EUB chairman, Mr. McCrank, called for a single-window regulation and oversight of Alberta's oil sands development. The new process would include cumulative, environmental, and societal impact assessments for past, current, and future developments. Has the Department of Energy considered these

changes? Why weren't these changes considered in the past?

Can the Minister of Energy tell us why the government has pushed forward so aggressively on oil sands development without a comprehensive land-use strategy? Has the Minister of Energy consulted with his colleagues the Minister of Environment, the Minister of Sustainable Resource Development, and municipal affairs to discuss recommendations made by Mr. McCrank? Given that the former chairman only spoke out publicly about his concerns after announcing his retirement, can the Minister of Energy tell us if the former chairman raised these concerns with the minister privately at an earlier date? What do you call those conferences you have with employees? Exit conferences, exit meetings, or whatever they're called. If the Minister of Energy had an exit meeting with Mr. McCrank, was this discussed?

Certainly, members of the oil patch have suggested to me – and I know that he's staring at me crossly, but I'm going to say this anyway – that the Department of Energy, the Department of Environment, and the Department of Sustainable Resource Development should be made into one. There are some oil patch people that feel that is a good way to improve the regulatory process. This is a suggestion that they've made to this side of the House.

Mr. McCrank also called for regional hearings for major energy projects. Has the Department of Energy considered regional hearings? Does the Minister of Energy agree that approving project after project without considering the impacts on various regions of the province leads to significant problems? Has the Minister of Energy discussed the issue of regional hearings with the minister of municipal affairs? Does the minister of municipal affairs agree that regional hearings would be beneficial for the future development of Alberta's energy resources? We've seen the impacts of rapid development without a plan when we examine the Fort McMurray region. The mayor of Fort McMurray has been very vocal.

Thank you.

The Deputy Chair: You've got 10 minutes between ministers to respond.

Mr. Renner: Actually, I will be relatively brief. The questions that were directed my way had to do with the member asking me to comment on the AEUB report. Given that the AEUB report is the responsibility of the Minister of Energy, and he was asking me to comment on renewable and alternative energy, which is also the responsibility of the Minister of Energy, I really don't have a whole lot to say other than that report is the result of a reflection of existing technology, existing government policy. At present we are just in the midst of updating government policy with respect to climate change.

The issue of alternative and renewable energy has been a matter of much discussion at our public meetings, at our stakeholder meetings, and there seems to be an impetus for the government to have a look at existing policies in that regard. I would suggest to the hon. member that should the government find it reasonable and responsible to change that policy, that would reflect a different outcome in any kind of report that the member refers to that would be written by EUB.

With that, I think I'll just leave the balance of the time to the Minister of Energy.

The Deputy Chair: The hon. Minister of Energy.

Mr. Knight: Thank you very much, Mr. Chairman, and I thank the member opposite for some insightful questions because he comes to the core of some of the business that we have in the province of

Alberta going forward. Most certainly, the situation with respect to renewables and the fact that the member looks at EUB's graphs as not being necessarily very productive on the part of the Alberta government attempting to get more renewables into the grid with respect to electricity generation: what I would say is that one of the things that we're engaged in now is a wind study that we're doing with the wind energy people, and we'll have that completed, we hope, within one year. We're looking at about eight months from now. At that point what we would expect is that there will be a large increase in the amount of wind generation that will come into the grid in the province.

Of course, our cap right now is causing some nervousness in industry with respect to investment in wind power, and we will address that in a timely manner. We're very conscientious, and AESO has done very good work here with respect to being sure of the amount of wind power that we put into the system. It's nondispatchable, so when we put that type of generation into the grid, we must maintain the security of the grid in total. This will take us a long ways in being able to increase wind power.

I do have to also say that in the EUB's most recent publication with respect to the issue, if you go farther than the graph and start to actually look at the wind that's coming forward and even the things that'll come forward in '07, I think it's relatively robust. I mean, we've got 80 megawatts from Enmax, 54 from Benign, 14 from Wind Power Inc., Alberta Wind Energy with four. We move into the '09-10 time frame, and there's quite a bit of wind: 77 megawatts, again, with Benign on the out years. I believe that TransAlta is looking at 52 megawatts, certainly Alberta Wind, again, with 47, West WindEau with 100 megawatts, and Windrise with 100 megawatts. These things, you know, are there in the projections. They don't show up as strikingly in the graph format, but most certainly they're there.

Besides that, Mr. Chairman, we're moving ahead very aggressively with a program on renewables. As the member would know, we've got a \$239 million program in my department to encourage biofuel and biogeneration.

The situation with respect to what we are going to do to get things under control on the carbon side: again, excellent questions. I would like to suggest to the member that we're putting pretty good stock in what he's talking about with respect to carbon capture and storage. We've got in conjunction with NRCan a fairly major blue-ribbon panel of experts that are looking at where the best opportunities are for Albertans with respect to carbon capture and storage.

Of course, there are two pieces to that business. One of them on a value-added side would allow for enhanced oil recovery and also the possibility of enhanced gas recovery. These pieces will be certainly studied, and I think we can come forward with something very positive with respect to that. However, that probably takes the place of somewhere in the neighbourhood of a quarter or maybe 20 per cent of the CO₂ that we will need to attempt to deal with. We have opportunities also for straight sequestration, which is not as good an opportunity from the point of view of economics. There are some differences with respect to what we need to do with the CO₂ and where we're going to put it, but again Alberta is very, very fortunate because under us there's an ocean, so we have some deep saline aquifers that will really accept CO₂ graciously. We think that there are some opportunities there for Albertans as well.

On the coal side I'd just like to answer that question again by saying to the member – and, again, I know that he's on top of these situations – that Sherritt has an application coming forward not strictly to do with electrical generation but on the coal side, the product basket that we can derive from coal, that's beneficial across the board. We look at coal to give us hydrogen, coal to give us some

syngas, coal that then would allow us in the process to gather CO₂ economically and sequester it. So some very good information, I think, and very good projects will come forward out of that, and of course regular gasification of coal to produce electricity will also certainly be looked at in the future to do a replacement of plant retirements that are now fairly intense with respect to carbon emissions.

4:00

The load. Again, I did say industrial load, and I have to apologize to the member for not splitting it because it's kind of generally accepted when we discuss it that the commercial/industrial load is sort of a piece of business that's different from the domestic/-residential load. So absolutely right: you need to take the industrial load and the commercial load together to get to the kind of numbers that I was discussing.

The land remaining for development, Mr. Chairman, is something that's very difficult to put a number on in acres or hectares or whatever because, of course, with every piece that we sell, you go from surface and a long ways down. You may have sold a piece of real estate that has rights at 3,000 metres, but there may be somebody that's interested below that, so that same piece of real estate can be sold again. Also, if somebody goes to 3,000 metres, decides that that's not an economic piece of business, and removes themselves from the play, it releases all the real estate above that, and it can be resold again. That real estate goes in and out of a basket, and it's very fluid. It's not easy for me to give you a number with respect to how many acres you could actually sell because it changes, and it's a robust business. The way it operates, of course, as the member knows: our bonus bid system generates revenue for the province, and that's part of it.

Chair's Ruling Dress Code in the Chamber

The Deputy Chair: Hon. members, before I call upon the hon. Member for Edmonton-Decore, a question has been raised to me for clarification purposes. As you all know, we are currently sitting in Committee of Supply. When we are in committee stage, there is a little latitude for informality, and members are allowed to take their jackets off. What we do have also is officials present here today, and they have been sitting here throughout the estimates process. The permission for removal of jackets: as far as I'm concerned, heat applies to everybody the same way. You know, it's not only members who feel warm, but anybody else who is sitting beside them will also feel warm on a hot day. So I have no difficulty with officials being able to remove jackets during the estimates while we are proceeding with this matter.

The hon. Member for Edmonton-Decore.

Mr. Bonko: Thank you, Mr. Chairman. I'm hoping that that explanation doesn't cut into our particular time with regard to the cross-ministry.

Debate Continued

Mr. Bonko: I will go on to the Minister of Environment. To the minister: I wanted to know if he will assure us that water protection will be a prime factor in any land-use strategy. He talked about some of the setbacks with regard to waterways, I believe, under the NRCB, and that would be under Sustainable Resource Development.

Confined feedlots have a competing use with the land, and where a lot of towns and municipalities have concerns is with regard to the runoff as they spread the manure. That manure not only impacts that particular operation but the majority who use that body of water for

their drinking, not just the one person but that whole municipality. If we get rains like we did just a couple of days ago, that would be an awful lot of flooding that it would in fact take into that lake, and it would be polluted just from that one operation. I know that we've raised this as a concern, and we've got ongoing concerns with this, but that would be one concern that we'd have with regard to the runoff.

The other one. When we talk about forests and setbacks with regard to lakes and/or streams, again, if we have some of the clear-cutting or the logging too close to the banks, when we get that downpour, that huge downpour, we're going to get so much of a runoff that all that silt will in fact have to be absorbed or dealt with by the downstream municipalities such as the one out in Calgary. When we've got the Spray Lakes, if they cut too close to the riverbanks, we're going to have all that runoff.

So there's where we're talking about some of the setbacks and concerns with regard to the bodies of water. Maybe there could be some specifics with regard to the setbacks or how far an activity or a business can in fact be from the bodies of water because of the concerns that we've raised not only in this session but ongoing in other sessions. Obviously, our land and water are closely connected, and as such it's essential that any strategy considers the implementation of the protection of our natural environment.

Can the minister tell us exactly how his ministry will ensure that a provincial land-use strategy provides the maximum protection for our water and our air? Can the minister tell us if the effects of climate change will be considered in the formation of the land-use strategy? Has the minister admitted the effects of climate change? They're undeniable. He's already said that as well, and the scientific evidence is irrefutable. Given that he has admitted this, how will the climate mitigation be adapted into the land-use strategy?

Water use is a massive concern, and I'll give you an instance. NOVA Chemicals draws more water per year from the Red Deer River than the city of Red Deer itself. The city of Red Deer, however, returns much of the water into the system. NOVA Chemicals returns far less. This type of practice, as we know, is unsustainable. What will the minister do to ensure that companies who have large water licences per year are required to return more than they currently do now and safely return it to the river from which it was drawn?

What mandate will ensure that the percentage of water licences must be returned? Are these some of the considerations that are going to be proposed within the development of the land-use strategy for the province? Will the minister ensure that the land-use strategy will always take the path that provides the maximum protection for the environment if there is a conflict with any act, plan, or law? Albertans have spoken loudly and clearly that they see environmental protection as one of the top priorities not only here in Alberta, but that's a concern that's starting to develop right through Alberta and Canada. In other words, will the minister ensure that the interests of the industry and the Ministry of Energy do not trump environmental protection? Will he guarantee a balance between often competing goals?

The provincial land-use strategy will be key to ensuring that the air that we breathe is clean. What role will the minister play in ensuring that the location of industry or the density of industry, such as the Industrial Heartland, that I mentioned earlier, will not have an adverse effect on the air quality? Obviously, 10 upgraders in a concentrated area of land will affect the air quality, so the location of these industries is critical. What plan does the minister have in relation to the Industrial Heartland to ensure that the air quality and water quality are protected and will not suffer adverse effects? How has he worked with the ministries of Sustainable Resource Develop-

ment and Energy to ensure that the environment is protected from the adverse effects of the high density of industry in Sturgeon and Strathcona counties?

Now, I know I'm getting close, so I'm hoping that you'll be able to get up and give me a little bit of the answers to some of the questions.

Mr. Renner: I will attempt to do so.

The Deputy Chair: Hon. minister, you have about 39 seconds left in this segment.

Mr. Renner: I can't exactly give two or three minutes to the Minister of Energy, who asked for some extra time.

Let's talk about the last issue because I think that's the most critical issue that the member brought forward, and that is – and I'll paraphrase – will industry trump environment? The answer is: absolutely not. How are we planning to do that? I've been talking about cumulative impact. I've been talking about having an opportunity for us to turn our environmental legislation and regulation upside down so that rather than getting on a prescriptive basis and saying, "This is the way things will be done," instead we talk about . . .

The Deputy Chair: I hesitate to interrupt the hon. minister, but the one and a half hours that were set aside for the Liberal caucus have now elapsed.

We now have the next 30 minutes set aside for the New Democratic caucus. I would call upon the hon. Member for Edmonton-Caldor.

Mr. Eggen: Thanks, Mr. Chair. If we could proceed with the system we used before, with five minutes and five minutes, that would probably be the best.

Thanks for the opportunity to speak on this cross-ministry day, and I will try to cover, with perhaps some breadth and with brevity as well, a number of issues that are important. Of course, this all is an assembly around the land-use framework, and SRD has been given that responsibility. As the Minister of Environment pointed out, it's ultimately for the retention of a sustainable environmental use of the land and to hopefully leave the land in a reasonable way or even an improved way from the way we were given it in the first place, so my first sets of questions are sort of centred around that idea. Certainly, the land-use framework is absolutely essential to bringing all of this together.

4:10

My first question is to the Minister of SRD, to ask him when we might be able to see a draft of the framework. We're very interested to see it. I know that we were meant to see it sometime late this spring, but, you know, it seems to be delayed. In the interim, because we have so much unprecedented growth taking place, I think it's incumbent upon us to perhaps slow the pace of resource development until we have some decisions that are made that can determine how we use our urban and rural land and transition land into the future because, of course, you only get one parcel of land.

You know, it's like building the LRT system in a city. Once you lose corridors to build an LRT system through a place, it becomes unimaginably more difficult to build a framework for a train system. That same analogy can expand to other urban issues or suburban issues or rural issues. Once we've already committed, whether or not we've made a plan, that's the way it is. I know that you know that our position is certainly to move ahead with our economy, and

we are happy to have a robust economy but not at the expense of making unplanned decisions for the land that we have available to us here in this province.

With that in mind, I just wanted to ask something about the consultations that are being held. How many people have you been actually interacting with thus far in person, online, and by mail? I would be curious to know that, again, from SRD. You know, there is always difficulty in these consultations, and there never is a good time of the year, but certainly the consultation process during the spring, during the busiest time of the year, I think provided some problems for people to access that procedure.

When the Premier stated that he wouldn't tap the brakes on energy development, in effect, in our view, he undermined to some degree the value of this land-use framework and gave Albertans reason to believe that, you know, regardless of what our input might be, it's ultimately going to be business first with energy calling the shots. Again, I'm asking if the government is willing to slow energy development, particularly in the tar sand sector, if it is revealed to be necessary to protect the environment and to make way for other land uses, or are we going with the status quo on the tap the brake thing as the precedent that overrides other things and thus devalues the process of going through building a consultation for a land-use framework?

There are just so many questions that come to my mind in regard to land use and how the decisions are made by default, whether you make a decision or not, just because of the pace of development. You know, I found it interesting when I was following the news on the long weekend. The minister, of course, was aware, as I was, of the incidents that took place at Indian graves and other areas where there was a lot of environmental destruction from long-weekend partying and mud bogging and violent activity of all kinds. I was glad to see the minister there to at least have an impact on that and to hopefully make some decisions about that.

However, you know, when I fly over different parts of this province or I'm travelling on the ground in northern Alberta particularly, there is far greater damage taking place through resource exploitation. I'm sure the minister is aware that, say, for example, probably more bush is cut down by exploration of oil and gas than by forestry.

The Deputy Chair: Hon. ministers, just to remind you once again, the ND caucus had requested five-minute time slots. So we only have five minutes for response.

Any minister who wants to respond? The hon. Minister of Energy.

Mr. Knight: Thank you very much, Mr. Chairman. Although these may be slightly unrelated answers, I would like to just quickly address the situation with respect to the EUB. The EUB, as you know, is undergoing change now, and recommendations that have been made with respect to some of these issues and former employees in positions there are more musing about potential things that could happen rather than recommendations. On the idea that under the land-use framework we could have, perhaps, a better way to manage some of our hearings and that type of thing, I would suggest that that is in fact going ahead. The regional hearing framework, as a matter of fact, is in the pilot stage now.

Thank you very much, Mr. Chairman.

The Deputy Chair: Any other minister? We still have three and a half minutes.

The hon. Minister of Sustainable Resource Development.

Dr. Morton: Thank you, Mr. Chairman. There are several questions that apply to me, I believe, from the hon. member.

When should he expect the draft of the land-use framework? December of this year is our goal. That's a postponement of about six months. At the December '04-05 stakeholder meeting in Red Deer the stakeholders themselves recommended that if it took more time to get it right, take the time because it was more important to get it right than to rush and make mistakes.

In terms of moratoriums or slowing things down, that sounds simple in theory, but if you actually begin to think about it in practice, how you do that and the implications it has for all sorts of players and investors becomes a bit of an administrative nightmare. I think that given the fact we're still moving with relative dispatch, getting a draft out by the end of this year is practical. In terms of slowdowns the Premier has made it pretty clear that there's not going to be any policy the intention of which is to slow down the economy. But as far as the land-use framework goes, it's certainly possible that there could be a recommended policy that, if adopted, would have the effect of slowing things down. I think that's a fairly important distinction, between a purposeful policy and a policy that has the intention of, say, enhancing protection of water in the north that might have the secondary effect of slowing things down.

Finally, in terms of consultations, there were 17 public consultation sessions. I don't have the exact figure – but those will be published – of how many people attended, how many workbooks were turned in, or questionnaires were turned in at those. There are two other sources also. The questionnaire/workbooks can be mailed in, and they also can be done online. All that information will be made public when it's collected and collated.

Thank you.

The Deputy Chair: We've still got another minute and 10 seconds. Any other minister?

Mr. Knight: Mr. Chairman, if I could, I think there are a couple of things that I might be able to help clarify a bit. There was a suggestion that if you overfly the province of Alberta, you see a lot of environmental damage created by the energy industry. I would like to clarify that what you see if you overfly the province of Alberta may be, in certain circumstances, where harvesting is taking place with respect to the fibre industry. I think we have relatively robust systems in place to reforest. I know that the companies that are involved in that are very prudent with respect to what they do in that area. The other thing, of course, that comes up when these comments are made are situations with respect to the mining operations that take place in oil sands production.

4:20

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

Mr. Eggen: Thanks, Mr. Chair. I guess that it always comes back to being willing to assume best practices. I think, certainly, we have to have a strategy in place but to adopt best practices at every turn. You know, when I'm talking about the flying over thing, you see a lot of remnants of the historical exploration for oil and gas, with the outlines and the wellhead sites. I know now that the industry is moving to not having to cut so many lines. So it's just a question, when you have that technology available, for us as legislators to implement it on a province-wide basis as soon as possible. I think that's what's incumbent upon us here when we're building a land-use strategy and making legislation in general. We are once again looking to augment and to enforce a strong economic policy at the bottom line – I mean, that's what makes the province turn – but at

the same time to ensure that we're not selling out for the future.

I know that five minutes is very short, so I'm just going to touch on a couple of areas that I would like to invite discussion and perhaps reflection on as well. One is the Upgrader Alley and the new bitumen upgraders that we expect to see northeast of Edmonton, starting now and into the next decade or so. Certainly, as you know, we've been encouraging the local upgrading of bitumen to finished products here in the province of Alberta but in a balanced manner. If we say that we have a certain limitation with the water and the land and the energy inputs that are required to do bitumen upgrading, then that becomes a natural limiting factor, we believe, to tar sand development and the mining and extraction of the raw material as well.

Now, one area that I would like to just point out here: where is the water going to come from for the bitumen upgraders? I read in the paper with some interest this morning – and I've of course heard this before in the Fort Saskatchewan plans and the Tofield plans with Sherritt – to use the municipal waste water to supply some of the water needs of the bitumen upgraders or the coal gasification plant in Tofield and so on and so forth. You know, we have to remember, of course, that you must put that water back. Part of the expectation is to have municipal waste water from Edmonton or the equivalent going back into the North Saskatchewan and into the river system.

We have to be careful that we're looking at the whole process. Of course, if you are taking that water out and it doesn't get back into the North Saskatchewan water system, then in fact we are ultimately shortchanging the whole water hydrological cycle that is necessary in the big picture to fulfill needs downstream, including other provinces downstream. So that's one issue I'd like to invite comment on. Where is the water going to come from for the bitumen upgraders, and are we going to impose a limitation based on how much we can sustain the water use of the Industrial Heartland projects and still maintain downstream flow?

Another question, again, in a similar area northeast of Edmonton but certainly around the province, is a glaring lack of protection for agricultural land. You know, within the land-use framework it's absolutely essential that we have written in stone that good agricultural land has to be protected in some managed way, certainly not in some blanket way, once again, but in some quite decisive way.

Let's say, for example, northeast of Edmonton, again, which has some of the very best land in the province and has some of the longest growing seasons – well, I think the longest growing season – in the whole province. You know, areas like that in other jurisdictions, in other provinces and countries, are absolutely off limits in terms of development because we know that's where food production takes place; that's where our future food production takes place. Considering the situation with energy and CO₂, we want to produce food inside the province as much as we can. It's just a wise thing to do. Is the land-use framework going to have some very solid and indisputable protection of prime agricultural land built into the whole thing?

Then my last comment and question is in regard to intensive livestock operations. I'm always getting complaints about intensive livestock operations and their inability to deal with the waste products that they produce. You know, there just seems to be a singular lack of interaction or even just practical analysis of intensive livestock operations. There's simply too much manure . . .

The Deputy Chair: The hon. Minister of Municipal Affairs and Housing.

Mr. Danyluk: Well, thank you very much, Mr. Chairman. There's no doubt that land use, especially the concerns around quality land,

is an issue. It's an issue for agriculture producers and, I would also say, should be an issue for this land-use framework and this government. You know, as a farmer I definitely have a lot of passion about farmland and . . .

Mr. Knight: You sure don't show it.

Mr. Danyluk: I sure don't show it?

I would say that the development of urban centres all started out surrounding the land that was of best production. The expansion of urban centres, really, revolves around those centres, and the expansion of those centres covers some of our best farmland in Alberta. We very much need to be cognizant, and we need to be stewards of that land. I know that it's a cliché, but they're just not making any more good farmland. We have to protect it.

We do have, I believe, very good policies in place in regard to manure management, intensive livestock operations, and we need to make sure that that criteria are adhered to, that we protect the environment, protect the water, which is so critical, and also protect the land. We know that we have individuals and families that are coming from Europe and from other parts of the world, and their appreciation for what we have and their appreciation of the conservation of land is primary.

I just want to say that some of the comments that you have brought forward are very much near and dear to this ministry.

The Deputy Chair: We have another two and a half minutes.

The hon. Minister of Environment.

Mr. Renner: Thank you, Mr. Chairman. Well, first of all, the hon. member talked about the longest growing season, northeast of Edmonton. I guess that it kind of proves the point the folks down my way have, that people in Edmonton don't see much past the horizon. In fact, the longest growing season is in the Medicine Hat area, not the Edmonton area. [interjections] Most hours of sunshine? All right.

I want to talk briefly about the whole issue of municipal waste water being used for industrial feeds. This is a genuine win-win situation. While the member is right that at present most of the municipal waste is returned into the river system, it doesn't have to be that way. I think everyone needs to understand that in many ways it's not preferable that it be that way. If we can find alternate uses for that waste water and not return it into the stream, a couple things are accomplished. We can reduce the number of other industrial licences that have to be given out because we're reusing water that's already been through the system once. More importantly, we're increasing the quality of water that's in the river. We're not adding nutrients to the river. As good as we are able to treat industrial waste water and municipal waste water, there still is phosphorus and there still are some other chemicals that are left in that discharge. They don't pose a health risk, but they do create the opportunity for a decrease in the overall quality of water in the river.

When we talk about in-stream flow needs, it's a balance. Sometimes we don't need as much water flowing in the river to maintain that ecosystem if it's good quality water as we would if we had compromised the quality of that water in one way or another. So it really, truly is a win-win situation, that we see municipal waste water being used at industrial sites. Most of the time it's used for cooling, so it ends up going into the atmosphere in the form of steam and goes back into the hydrological cycle. It doesn't necessarily come back into the river, but certainly it's not lost. It's not like injecting water underground.

4:30

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

Mr. Martin: Thank you very much, Mr. Chairman. Just a couple of, obviously, quick points. I would just refer back about the land use and specifically about densification around our major cities. Land use comes back to how municipalities operate around each other. Certainly, I'm talking about the city of Edmonton. I notice that the Minister of Municipal Affairs and Housing was talking about farmland, and I notice that from the *Journal* of, I think, March 29, we see that a whole "new city with highrise apartments and pedestrian-friendly streets is going to be built in Strathcona County." It says, "The city will be built from scratch on farmland west of Highway 21 and north of the Yellowhead Highway. It could eventually grow to 200,000 people."

Now, that worries me that out of the blue on the north end of the city this could happen. At least, they're looking at it. I think that we have to really begin to deal with this problem. It's a broad problem. It's densification within the city itself, it's how we get the municipalities to work together, and it's land use. I'd like some comments about that from the minister to see if there is an update on that.

I know that the Minister of Municipal Affairs and Housing would be extremely disappointed if we didn't have a brief discussion about the housing. Obviously, the economy depends on housing. If we can't get housing on the market fast enough, well, you know, it's going to be very difficult to maintain the boom or anything else. Some would argue that that's not a bad thing, but that's reality. I just want to refer the minister to the latest rental market report from Canada Mortgage and Housing. I think it tells the picture very quickly. The Alberta apartment vacancy rates across the province: Wood Buffalo, 0.2 per cent; Grande Prairie, 0.9 per cent; Edmonton, 1.1 per cent; Red Deer, 2.1 per cent; Calgary, 0.5 per cent; Lethbridge, 1.3 per cent; Medicine Hat, 1.7 per cent.

That doesn't surprise us. Again, we can get into the arguments about rent guidelines and the rest, but I raise this because, actually, when we look at what's being done about apartments, we notice in Calgary and Edmonton that we've actually lost apartments from the spring to now. It's worse than it was before. There's been a slight improvement across the province, roughly a thousand units, but really not enough to have much impact. In our two major cities there are actually less apartments now than there were in the spring. I expect it's, you know, condo conversions, the rest of the things that we've talked about. I think, to the Minister of Energy and the others, that if we want to bring people in and we want to continue with the vibrant economy that we talk about, this is going to continue to be a problem.

In view of these latest figures, what contingency plans? We've obviously had the debate here in the Legislature, Mr. Chairman, about rent guidelines. We've said that we need to bring more affordable housing on, and we're talking specifically here about rental units. In our two major cities there are actually less apartments now than there were before. I guess I'd like the minister to comment on this. Is there a contingency plan? If this keeps going the way it is, you know, we're going to have this debate four months from now, six months from now.

I just would conclude with the remaining time in the minister's discussion, myself, about affordability. It's one thing for the government to say that we can help, and some help is being given on an individual basis with the eviction fund and other things. But there is a growing population, a growing number of people, that are just above that, and I don't know what we're going to do about them.

Thank you.

The Deputy Chair: The hon. Minister of Municipal Affairs and Housing. We do have roughly about three minutes left.

Mr. Danyluk: Okay. Thank you very much, Mr. Chairman. I'll try to be fast. I can assure the hon. member that I have the same concerns about the development that you spoke of, the expansion, maybe not so much on the development side but very much on the land side. It is good land in that area, and there is a concern.

Mr. Chairman, just a short discussion about housing and the low vacancy rates. As I have mentioned many times, it is a concern when you have people moving into Alberta, trying to have increased housing. I really believe that we need to maintain stability as far as the investment into units. I think we need to encourage the building of secondary suites.

I want to say that the Municipal Government Act currently has provisions for municipalities to outline future development in their area with the creation of municipal development plans, and that is critical. It deals not only with housing, but it deals with issues of municipalities such as the comments that you made about Strathcona and Edmonton. It also encourages municipalities to undertake intermunicipal development plans with neighbouring municipalities. The recent recommendations from the Minister's Council on Municipal Sustainability on such issues as regional co-operation and dispute resolution are being reviewed at this time, and the government response is expected later this month.

In closing, Mr. Chairman, the new municipal sustainability initiative also provides, I would say, substantial financial support for intermunicipal initiatives to help municipalities cope with those growth pressures. I believe everything helps. We need to work together.

The Deputy Chair: Does any other minister wish to supplement? We still have about a minute and a half.

Hon. member for Edmonton-Beverly-Clareview, you may use the balance of the time.

Mr. Martin: Thank you. Very briefly. I'll just finish what I was talking about. The reality is that affordable housing is getting, especially in the two major cities, worse rather than better. We're going to have to deal with that, I believe, especially if we want to maintain or not put the brakes on in terms of the development. How are we going to deal with this?

To the minister. What I'm finding – and I'll be very brief – is that we're dealing with some of the most serious cases through the eviction fund, but there's a whole group of people. We used to say affordability – we've had this discussion – was that no more than 30 per cent of your income should be going to accommodation. What is that new affordability? I expect now that it's probably 50, 60 per cent. The government refused that, but there's a whole group of people – and this will have a serious impact on our economy and all the rest of the things we're doing – that are around that level. They're finding it harder and harder. They're working, finding it harder and harder to live, and the major reason is accommodation. I think we're missing a part of it. Hopefully, we can bring more housing on, but that will take time. I guess I'm asking if there's a contingency plan down the way.

Thank you.

The Deputy Chair: Hon. members, the time allocated for the New Democratic caucus has now elapsed. The balance of the time, which is about one hour from now, is assigned for private members. If you would like to participate, please advise me, and we will recognize you.

The hon. Minister of Municipal Affairs and Housing.

Mr. Danyluk: Can I answer his questions?

The Deputy Chair: What I can do is I can recognize you as the first person to bring remarks, and you can answer some of those questions therein. But we will be enforcing, again, the 10-minute rule from here on.

The hon. Minister of Municipal Affairs and Housing.

4:40

Mr. Danyluk: Well, thank you very much, Mr. Chairman. It definitely brings me to a comment when we're talking about housing. I'm so happy to hear the New Democratic Party member talk about not putting brakes on development – I've been waiting for those comments – and making sure that our development continues and we try to continue to grow in this province. If I interpret his words right, my interpretation of his comments says to me that the hon. member is making sure that we do not have any sort or type of rent controls so we can continue in the development direction and development focus so that we are able to continue to have more units that are provided for individuals that need affordable housing, for individuals that are in need. So I thank the hon. member.

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

Mr. Backs: Thank you, Mr. Chair. I'm very pleased and honoured to rise today in this Assembly to debate and bring forward questions on this cross-ministry. My questions will be primarily to the Minister of Sustainable Resource Development and the Minister of Energy, but I welcome any answers from the other ministers.

One of the first is that people in my riding want every effort to be put forward to maintain processing of petrochemical resources, petroleum resources in our province, especially bitumen. I guess the question on that particular item is: has the Department of Energy encouraged looking at the development of bitumen processing in the southern Alberta area, especially in the Medicine Hat area, given that there are many, many workers from Calgary, Medicine Hat, and Lethbridge that travel all the way to Fort McMurray on a regular basis to work in similar types of facilities and we may be bringing them to work in facilities in the Heartland region? Given that the piping of bitumen works to break it down and crack it somewhat the greater distance it goes, going to southern Alberta may be of economic benefit to Alberta if we develop there. That's the first question.

The second one is an item that I've talked about a number of times in this Legislature, and that's regarding geothermal power. What efforts has the department given forward to support the Alberta Geological Survey and the Alberta Research study on low and medium geothermal resources? For example, the May 2006 issue of *The PEGG* – that's the engineers' magazine – presents estimates of the potential energy locked in Alberta's geothermal waters at 2 trillion to 5 trillion barrels of oil equivalent given present technologies.

Now, another issue that I think is important in terms of the economics of oil sands development is the energy necessary for processing. One potential matter for developing that has been put forward is the idea of nuclear power generation. I've had some scientists come to me and say that in order to do it in a viable economic manner, this would take many, many smaller nuclear plants in the tar sands area. My question is: have there been any estimates put forward by the department, or has this question been looked into as to the number and size of nuclear plants necessary to be viable heating sources for oil sands production? Some of the scientific sources have said that it may make no economic sense for that particular industry.

I'll get back to geothermal a little later. But in looking at my 10 minutes, I'd like to just bounce back over to Sustainable Resource Development. I'm looking at the strategic priority 2 in, I believe, the business plan, the biodiversity strategy, which looks to conserving biological diversity and enabling "sound management of Alberta's natural resources on a sustainable basis." This is an important goal. In many ways forest management agreements, or in the short form FMAs, are charged with maintaining forest health by those forest industries enjoying access to these FMA areas. One of my primary concerns in the management of FMAs is the prevalence of monoculture replanting schemes for harvested areas, mainly monoculture replanting schemes.

If one looks to the government priority of managing biodiversity, indeed, maintaining biodiversity, I am very concerned that forestry companies, especially in difficult economic times for forestry, are not looking beyond monoculture to any large degree. A question to the minister is: how is the ministry ensuring that forestry companies maintain diverse planting schemes in difficult economic times for the industry?

Another concern with the biodiversity strategy and also linking with priority 3, which is sustainable resource and environmental management, is the planting and harvesting of species that are from western Canada but nontraditional for western Canadian industry use. For example, we've rarely utilized birch for much more than firewood. Mr. Chair, I have personal experience in the past of seeing valuable sawlog-quality birch being buried or wasted in other ways when pipeline rights-of-way or other resource industry needs and even the logging of other species are the priority. Now, birch sawlog of, say, 24 inches at the butt, once processed, cut, and kiln-dried, produces finished product from that sawlog of furniture-quality hardwood lumber worth thousands of dollars. Yet we often see this species wasted. I've seen it buried.

One of the problems is that we've never established a true finished hardwood industry. Producers have often tried to deal with these logs as if they were softwoods like spruce or pine, but hardwood is not handled in its drying or storage processes in any way that is at all similar to softwood production. What happens is that producers just throw up their hands and say that the species is useless and too hard to handle and it's warping, and they end up wasting even their finished product or what they attempt for a finished product. But it is very possible to do so if we follow the traditional practice that has been developed for hundreds of years in eastern Canada, in Europe, and other areas.

I submit, Mr. Chair, that the real problem is that we've not adopted these proper hardwood handling and production processes here in western Canada, especially Alberta, for the most part. There are a few producers, but we have obviously not been successful. If one just goes to the supply stores, you see that we are importing birch from eastern Canada and hardwoods from as far away as the Congo, while we are burying hardwood that could be used for similar uses. There is little economic incentive to replant birch if there is no use for it other than fireplaces, yet it is an important natural species for Alberta.

Mr. Chair, the birch species is just an example, but it leads to the question: is the ministry doing all it can to ensure that species such as birch are being used to maximum economic value? A second question in this area is: is the ministry doing anything to develop the nascent hardwood industry in Alberta for finished furniture products? A third question is: with little development in species such as birch, does this mean that we are limiting biodiversity and the replanting of this and other similarly dealt with species?

I return to geothermal now. I'll give some quotes from articles on *canada.com*, the *Toronto Star*, the *Edmonton Journal*, and other sources.

Like nuclear and unlike solar or wind power, geothermal provides a constant, predictable source of energy in the form of heat – used directly or to generate electricity. Another benefit is that geothermal energy releases virtually no airborne pollutants and there are no waste-disposal and security concerns like with nuclear power.

It's also Kyoto-friendly. According to Natural Resources Canada, new geothermal facilities emit 0.1 kilograms of carbon per megawatt hour of generated electricity, compared with 185 kilograms of carbon for a coal-fired plant. They also outperform coal and nuclear plants in terms of reliability . . . Geothermal power is generated from heat of 80C to 200C, deep in the Earth's crust, and is not the same as ground-source heat pumps or "geo-exchange" systems, which use constant temperatures just a few metres below the Earth's surface to assist in heating and cooling buildings.

Now those are often what we see in the geothermal house-heating business, which are actually quite viable.

4:50

It doesn't take much extrapolation to show that the deeper you go, no matter where you drill, you will encounter 250-degree temperatures . . . [and] the power supply should exist just about any place, if you go deep enough . . . Geothermal fits with our principles of sustainable development, in that there's a potential economic benefit, which is reducing our operating costs and dependence on natural gas,

especially for the oil sands, and emitting almost no greenhouse gas emissions.

In northern Alberta, the temperature of the Earth's crust rises by about 30 [degrees celsius] for each kilometre of depth. Wells drilled down six kilometres could encounter rock at temperatures above 200 [degrees].

Heat could be brought to the surface by forcing water down wells, under high pressure, so it would percolate through pores and fissures in the rock, return to the surface through recovery wells as steam, and be used to separate oil from sand . . .

Geothermal heat, rising to the surface . . . has been used [as a source] since prehistoric times . . .

Geothermal heat mining would build on Alberta's oilpatch expertise. The report says it would require improvements to drill bits, casing methods, cementing techniques, downhole sensors and reservoir mapping.

That's a report that's quoted in the *canada.com* article *Greener Oil Sands Would Drill for Heat*.

We have Shell. We have others in the oil sands looking at this. Thank you.

The Deputy Chair: The hon. Minister of Energy.

Mr. Knight: Well, thank you very much, Mr. Chairman. Thanks to the member opposite for the questions and the interest in a couple of different areas in the province here with respect to the energy industry, certainly the questions with respect to upgrading and refining. As the member knows, the EUB have published their latest figures with respect to where we're headed on the energy front in the province of Alberta, the reserves and requirements for energy for the province over the next kind of 10-year time frame. Just as an overview I would like to let the member know that as we stand now in 2006-07, we're at about a 65 per cent level of upgrading in the province of Alberta. As the member knows, most of that's done in areas now where mining operations are taking place, and the mining and upgrading and, in some circumstances, some refining also are done in proximity, so these facilities are actually joint facilities.

However, as we move forward with respect to bitumen production and upgrading, on the out-years heading to 2014, '15, '16, in that time frame, very interestingly, those numbers actually turn heavily in the favour of Albertans with respect to upgrading. We don't

know yet where we would actually land on refining because the situation with respect to refining gets down to an ability to actually deliver transportation fuels out of Alberta to marketplaces where they're required. Nevertheless, the synthetic crude output and use inside the province will account for approximately 75 per cent and maybe even higher in the years 2015, 2016 and about 25 per cent of non-upgraded bitumen, you know, used as product out of the province. We are heading into an area where there will be a lot more bitumen certainly produced and a lot more upgraded. By the way, at that point, about 2016, we'll be in the neighbourhood of 2.8 million barrels to 3 million barrels a day of production. That is taking into account only projects that are before us and projects under construction currently.

The encouragement to process in southern Alberta. Although I understand the member's concept and don't disagree that there are potentials to do these things, the infrastructure around clustering for these projects isn't currently as robust in southern Alberta as it is in the Industrial Heartland. Most certainly, clustering with respect to the issue of upgrading and refining makes a lot of sense. Also, the Minister of Environment pointed out very clearly that water usage with respect to these issues is mainly nonprocessed water, so in fact it is cycled. The constraints in southern Alberta with respect to water would probably make these situations much more difficult in that area.

Geothermal power. Again, alternatives that are going to come into place and into play in the province of Alberta are very, I think, exciting, and geothermal is certainly one of them. I had an opportunity a couple of times recently – the most recent opportunity was yesterday – to meet with two representatives of the geothermal industry in the province of Alberta. You know, interestingly enough, they, again, of course, are very excited. There are about 23 commercial operations installing and operating geothermal systems now in the province of Alberta. I believe that they indicated to me that there are well over 1,000 installations that are operating successfully in the province. Again, you know, we're excited. We think that there are great opportunities here for Albertans with respect to geothermal.

The issue around geothermal and the production of electricity. There are two types of geothermal energy. I think that we need to kind of break this down. The one that most people think of as geothermal, that's used for home heat or, you know, that type of heat would probably be more appropriately described, I think, as earth energy. The actual deep geothermal: there are a few major players in North America that are doing some research projects with respect to deep geothermal, where you would perhaps find some relatively hot spots that would allow for steam generation. That is a different type of geothermal usage. Again, not normally the type of thing that we would see in general use for home heating or building heat, that kind of thing.

Mr. Chairman, again, oil sands energy intensity. There isn't, I know, a player in the oil sands industry today that isn't keyed very keenly on that issue. The energy in for each unit of energy out is extremely important. It does a number of things. Of course, it makes good sense from the point of view of the economy and the economics around a project, but it also helps them on the carbon side. The whole carbon cycle becomes a little better and more palatable if they can reduce the energy intensity.

Nuclear was brought up. Now, the question is: have we actually done work with respect to, you know, what size of a nuclear plant would fit what piece in the oil sands industry? I'll repeat that the province of Alberta is neither a proponent nor a detractor from any form of alternative energy, including nuclear. However, the proponents that would come forward would come from industry. Of

course, they will best assess their requirement for energy, and they would be able to best assess whether or not any current or future nuclear technology may or may not fit a particular facility that they're working with.

5:00

Of course, we've had recently in the media and, you know, press releases around some proponents that are looking. The process is in place. It initially under our Constitution is a federal issue, so if people are going to make application, the province would not receive the applications initially. They'll go to the Canadian Nuclear Safety Commission. We would certainly be involved from that point forward in the best interests of Albertans.

What we are doing is we're working on bringing forward a concept paper around the use of nuclear in the province of Alberta. It will be well discussed in public over the next few months as this thing unfolds. I'm looking forward to the participation of the public in the discussion to determine what it is that Albertans would like us to do with respect to the issue around nuclear generation. Given, you know, the environmental concerns and given the constraints that we have to produce electricity in Alberta by other means – and we do have lots; of course, clean coal and hydro come to mind – nuclear will be an interesting discussion.

The Deputy Chair: The hon. Member for Airdrie-Chestermere.

Ms Haley: Thank you very much, Mr. Chairman. I just have a few comments I want to make about land use. I'm going to start off by addressing my comments to the minister of municipal affairs. This is on land use for affordable housing. I think that somewhere along the way we got into the habit of thinking of affordable housing as being actual single-family dwelling or multi-family dwelling concepts as opposed to something that we may actually require just on a shorter term basis, for between five and 10 years, which would be more of a trailer court concept in or adjacent to some of our urban municipalities.

The reason I mention this is because it is something that perhaps on public land we could work on water and sewage services. People would be able to move trailers or winterized RVs into some of these areas for six months or a year while they're here working. A lot of people are coming from other provinces, not with the intention they'll necessarily stay but, rather, because there's a job that they can do here for six months or a year, and then they really want to go home. I have a number of people like that in my constituency, Minister, and they actually don't have a place to put things like RVs.

Today breaking in the news is a story from just outside of Chestermere. There's a small trailer park that was never really set up for overnight stays, nor was it ever set up for longer term stays. But today the Calgary health authority have expressed concerns, and there's now a court order to shut this place down because there are a lot of people in tents and small campers that are there. It's not safe. It's not properly sanitized. There are issues in that area – and it's not inside an urban area, but it is, in fact, inside Rocky View – with the private landowner who has developed this. Understanding their problem, they now have to find another place to go to, and the campgrounds are basically full.

So the real portion of my question, Minister, is this: have you guys considered when you're looking at this problem that we are dealing with today – and it is, I believe, a short-term issue – some of the quicker fix solutions that can be put together and then taken apart in five to 10 years, when they're no longer necessary? Then the land could be reclaimed and used for other purposes. I ask you that on your land-use side.

On the energy side I wanted to talk about biofuels for a moment,

Minister. When we're talking about land use there, we're talking about cropland, some forestry products that can be used in biofuels. When you're looking at that, can you please tell me the breadth and scope of the impact that you see that actually having on agricultural uses for land? Are we doing things on a fuel side, on a land-use side that will detract from forestry or detract from agriculture, or is this just a win-win for everybody? Will we be changing – and this is SRD – the scope of what we're trying to grow by way of trees for cellular consumption for biofuel concepts?

I know that you probably don't have a quick answer for that, but it is an issue that I think will grow in importance as the biofuel sectors continue to develop. Will it be impacting food sources for some countries, making it more difficult for very, very poor countries to actually supply food for their nations? I know that's probably way outside the reach and scope of what you're doing, Minister of Energy, but I think that it's an important consideration. We need to make sure we have proper answers for it.

On the land-use side I would like some assurance from one of you that when we're talking about our land-use strategy, we are not talking about shutting down industrial development in our province but, rather, working through a land-use strategy that will allow people to participate in recreation but also respecting that businesses and agriculture can continue to coexist on this land. I think that once in a while we get a little bit myopic on the size of this province, perhaps not necessarily understanding the immensity of it, that it is larger than most European countries, that in fact it is about the same size as California with 35 million people in it, and we have 3.4 million. We still have to be able to develop this province to the best of our ability, and that means there has to be room for economic development as well as environmental sustainability.

So whatever assurance you can give me on that side that says that we're not going to shut development down in our province while we try to be the great stewards of the world here. I do believe in land-use management and good stewardship, but I think that from the whole, as a person that grew up in the energy industry and then was involved in agriculture for 20 years, there was no part of it where I didn't see people that cared about our province and wanted to do the best job they could. I want to make sure that we don't lose sight of that.

My last comment is for Energy, and it's this. There are way less rigs working today than there were a year ago. The latest report that I've heard is that about 3,500 workers that have been drillers and rig workers are not employed this year. In a province that's short of labour, has anything been done to work with some of the oil sands companies or the big construction companies to make sure that these people, with all of their expertise, do not fall through the cracks somewhere but, rather, we utilize their skills and their energy to make sure that they're employed today on other things that we as a province need to get done?

So just your comments on any and all of those things would be greatly appreciated. Thank you.

The Deputy Chair: We have two ministers rising. I'm wondering who wants to go first. The hon. Minister of Municipal Affairs and Housing.

Mr. Danyluk: Thank you very much, Mr. Chairman. I'll try to make my comments very short. I want to say that the affordable housing funding that is available is in conjunction and co-operation with municipalities. I do want to say that the trailer court proposal is a very good proposal. To give you an example, we have had discussions with the city of Edmonton, and the city of Edmonton is doing exactly that.

If the municipality has funds and they feel that that's the direction that they should take, that is a very good direction. If it's a municipality that didn't get funds because they didn't fit into the criteria of the three categories, they can apply to our ministry for a project like that. I will say that that is a very positive project because it is to get people some sort of lodging and quick lodging. It's a very good solution.

The Deputy Chair: The hon. Minister of Energy.

Mr. Danyluk: You weren't even ready.

5:10

Mr. Knight: Thank you very much, Mr. Chairman. In fact, I was. I was actually born ready.

The member brings up some very good points. With respect to biofuels, of course, the member knows that we have a program in place to encourage biofuel in the province of Alberta, and I'd mentioned it earlier. The points around, you know, the agricultural land and forestry land that may be involved in the biofuels industry eventually most certainly brings with it some challenges. There will be impact on agricultural land. When you look at some of the opportunities going forward, particularly in cellulosic ethanol, some of the agricultural crops that are only absolutely zero food value – they're only to be grown for things like cellulosic ethanol – will it become perhaps more economic for an agricultural producer to do nothing but cater to the fuel business? We certainly are cognizant of that.

Again, it's a critical thing that we maintain enough of our agricultural base in the food industry that we don't subject ourselves to total import of all the food products that we need in the province. So I certainly take your point seriously, and we have had an opportunity to look at it. It's a little early for us because, as you know, biofuel in Alberta is a very, very small piece of business. As it grows – and we hear, you know, the 400 million and so litres, infrastructure intending to come into the province. At those points in time we will certainly need to be prepared to address that.

On the forestry side we're already into this to a degree, although it's not on the cellulosic side or forestry issues around fuel. Most certainly, the Member for Whitecourt-St. Anne will be very familiar with hybrid trees that we're experimenting with. We have them in my riding, and I've been and visited a few in Whitecourt-St. Anne. I think that we would, again, want to be extremely careful that we do not allow a situation that would replace our mixed wood stands or the boreal forest stands that we have with, you know, a type of reforestation, a type of tree that would only be useful for the fuel industry. Certainly, your comments are well placed and will be considered.

With respect to food costs, it's already happening. I don't know about internationally, but I can certainly tell you that in studies that have been done recently in North America, the United States particularly, anything that is using corn starch and corn syrup for sweetening, the price is already going up. Foodstuff will certainly take a hit when the biofuels industry gets into full swing – there's no doubt – because the competition for that product is there.

The rig count, I think, was the last issue. Most certainly drilling indications that I got today – and probably the same ones that the member is aware of – would indicate that we're at about 30 per cent.

The Deputy Chair: A couple of things I just want to bring to your attention. First, for *Hansard* to pick up your voice, it would be appropriate for you to speak up front.

Secondly, the camera that's capturing you is right in front of you,

and I'm sure that the audience that's watching you intently right now throughout Alberta doesn't want to see the other part of yourself.

You may now proceed.

Mr. Knight: Thank you very much, Mr. Chairman. This is probably my best side.

Mr. Chairman, with respect to the rig count and the workers involved, again, the member brings up, you know, a very important discussion around what we would do with 3,500 people that are actually very well trained and highly skilled with respect to operating oil well and gas well drilling rigs in the province of Alberta. Most certainly, those numbers of people that would want to engage themselves in other sectors of the industry will find opportunities there. We're very hopeful that we would not lose these individuals.

The way the cycle actually works, they're drilled ahead quite a bit, so there will be number of these wells that require tie-in. So although the labour for the drilling force would decrease, there may be, certainly, opportunities for those individuals to be taken up in the secondary process where these wells would be put into gathering systems and tied into the production facilities. That's where we will hope to concentrate our efforts: to have these skilled workers remain at work in Alberta, still, you know, in the energy industry and engaged but in a different part of the industry.

Thank you.

The Deputy Chair: We still have about two minutes and 40 seconds.

The hon. Minister for Sustainable Resource Development.

Dr. Morton: Thank you, Mr. Chair. I believe the hon. member had a fourth question that had to do with the land-use framework process. She was concerned about whether it was just about recreation and ignoring the importance of continued economic and industrial growth. I just want to reassure her that I'm confident that that's not what will come out of the land-use framework, that it will strike an appropriate balance between environmental protection and recreation on the one hand and economic growth and industrial development on the other.

I think it's not a question, as the Premier has said, about stopping growth; it's a question of smart growth. I think you'll see a lot of discussion not about stopping drilling but about drilling practices. What are the best practices? Same thing with pipelining: are there better ways to do pipeline that are less intrusive? Similar best practices discussions around agriculture: when it comes to conflict of interest in some of the recreation areas, instead of prohibiting things, maybe sequencing who does what, when. I think it's obviously an important concern, but I'm confident that the land-use framework will strike an appropriate balance.

The Deputy Chair: Any other minister who wants to supplement answers? Very well.

The hon. Member for Whitecourt-St. Anne.

Mr. VanderBurg: Thank you, Mr. Chair. I have a couple of items that I'd like to talk about, one with seniors' housing and the other dealing with the forest sector. You know, it's no secret that the lumber industry in Alberta has been in a very major slump. A recent report from the Alberta Forest Products Association provides numbers that show that the situation's likely to get worse before it gets better. Year-end product value of \$3.2 billion: the industry in Alberta suffered a \$569 million decrease over the previous year and was down dramatically from '04, which was \$4.3 billion.

You know, Minister, in the past 12 months a number of develop-

ments have occurred that provide signals to which scenarios are emerging that are very concerning to communities like Whitecourt and other forest-based communities. The pine beetle infestation is without a doubt accelerating in Alberta. Environment: the increased public concerns about water, climate change, greenhouse gas emissions. The biofuels: a major policy thrust in the U.S. to increase ethanol and biodiesel production with effects on grain and land prices. In industry increased competition and reduced profitability are leading to mill closures and consolidation in the industry. Questions raised about legal ownership of forest slash and carbon credits will rise.

Most of all what concerns me and other members of this government that have forest-dependent communities: we know that further loss of forest jobs, you know, are about to come. It may not be this year; it may not be next year, but we have some pretty strong signals that are being put in front of us.

5:20

So, minister responsible for SRD, I would ask, you know, that you respond to these issues. What in your budget are you doing to get ahead of the curve? What scenarios, what strategies are your department using to help industry, to help our forest-based communities? What do we have in the future to make sure that this industry stays alive, stays healthy? It's an important industry to Alberta. It's an important industry to our forest-based communities.

Next on the housing issues. I'd ask the Minister for Municipal Affairs and Housing to think about a couple of scenarios, one of which concerns me and the job that I presently have as the chairman of the Seniors Advisory Council for Alberta. I'm hearing a lot from seniors just lately, especially since they've been receiving their municipal tax bills. You know, old age pension went up 1.9 per cent this year, 1.9 per cent. I saw my mum's tax bill go up 28 per cent. I saw from all over this province calls and the letters I'm getting from seniors about the ability to stay in their homes because of the rising municipal taxes.

You know, the department of seniors has done an admirable job understanding that the education portion of the taxes were going up. They left 2005 as a base year, and for the years after that seniors are able to apply and get a rebate, so it freezes their municipal taxes back to '05. But on the municipal side we haven't received that. Only one jurisdiction – the city of Edmonton is the only one that I know that has recognized senior homeowners in a rebate program. I have to acknowledge the mayor and the council for doing that. They have partnered with the department of seniors. They have identified those who get the Alberta seniors benefit program, and they offer a rebate.

As we all know, it's much cheaper to keep our seniors in their homes than for you to have to find money in your budget to provide seniors' housing. I'd like to know: in your budget, Mr. Minister, on your communications plan what are you doing to get this message to municipalities across this province about what the city of Edmonton is doing? Are there other great news stories like what the city of Edmonton is doing to share with Albertans and Alberta communities?

I think we have a joint responsibility: yours being the gateway to all the municipalities; mine being the ears and eyes and voice of seniors that can't be here to talk to you directly. So I'd like to know: in your budget have you allocated extra dollars to communicate to municipalities about how they can help and how they can step up? You've offered hundreds of millions of dollars in your budget this year to help municipalities with their infrastructure needs. I think a small, small portion of that that has gone to municipalities could easily be allocated to seniors of this great province.

I'll sit down and hear from both of you.

The Deputy Chair: The hon. Minister of Municipal Affairs and Housing.

Mr. Danyluk: Well, thank you very much, Mr. Chairman. Some very good comments and questions by the hon. member. I would suggest to the hon. member that the municipal sustainability initiative is trying to do exactly what some of your suggestions are.

The Deputy Chair: Hon. minister, just earlier on I had made my comments to the Minister of Energy for two matters. One, for *Hansard* to pick up your voice, it would be important for you to speak through the microphone, and secondly, the camera is catching you live, as thousands of Albertans are watching.

Mr. Danyluk: It doesn't like the side view.

The Deputy Chair: Exactly.
You may now proceed.

Mr. Danyluk: Okay. Well, I appreciate that, Mr. Chairman. I'm not sure what the best profile would be.

Mr. Chairman, I would suggest that what has happened is as you see today. Hopefully, we're at the point that we can pass this budget. From the point where we have announced the budget until today, there has been communication. There have been different ways that municipalities feel that they can support their communities in affordable housing, helping seniors. I think very good points have been made by the hon. member as to how we communicate what other municipalities are doing, how we communicate what is possible to help address some of the seniors' housing and the challenges that seniors' housing have, and the comments that were made about the pensions going up 1.9 per cent, and the tax bill going up 28 per cent. I would hope that, you know, some of the funding that came from MSI would support that exact tax hike.

We are going to take that into advisement, and we are going to have communications with municipalities. I think that's an excellent idea that was brought forward by the hon. member, and we will bring that forward.

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

Dr. Morton: Thank you, Mr. Chair. There's no question. The hon. member is right that the forestry industry has been hit with the perfect storm: the rising value of the Canadian dollar has hurt, rising energy and transportation cost here in Alberta, high cost of labour from the oil and gas economy, lower cost of off-shore producers, and then, of course, the impact of the softwood lumber agreement. We are working hard with the industry to mitigate those factors. We have adjusted the lumber dues cost as we promised to do last fall. We've also kept our commitment not to impose new cost without consultation. We're working with the industry on trucking and infrastructure issues. We'll be shortly reviewing a competitiveness report with the industry.

I would also point out that we've expended both last year and this year significant amounts of money to try to stop or arrest the spread of pine beetle: \$46 million last year and an estimated \$55 million this year. To the extent the pine beetle infestation spreads, we are positioning ourselves to work with the industry for new opportunities in terms of biofuels and products such as wood pellets that could be derived from beetle kill.

We also will be exploring the possibility of carbon credits for certain forestry practices or new forestry opportunities. Also, by

taking the lead on the biodiversity monitoring program, we hope to save the industry some of the costs that used to be put on industry in terms of meeting some of the requirements of their forest management agreement. So in all those ways we are working in a broad spectrum of ways to assist the forestry industry in these difficult times.

The Deputy Chair: Any other minister wishes to supplement any answers? Any questions? Hon. members, is there any other private member who hasn't participated as yet, who has any burning questions to put on record?

There being none, the chair will recognize the Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. I appreciate this opportunity to participate in the discussion, in the debate, this afternoon. Now, Bill 211, the Planning for the Future of Communities Act, which was introduced by the hon. Member for Calgary-Currie, calls for the establishment of growth plan areas along with an advisory committee for each area. I believe that this one strategy could lead to a more effective land-use policy.

5:30

Now, I don't want to get one ministry there working against the other, but has the Minister of Energy considered such a strategy, given the controversy and concern surrounding sour gas developments near highly populated areas, Compton's proposed sour gas well outside Calgary, for example? Why hasn't the Department of Energy developed a plan to deal with the inevitable clash between potential dangerous industry development in residential communities? Does the Minister of Energy believe that sour gas developments near highly populated areas are responsible and safe? Would the Minister of Energy, again, be willing to have sour gas wells close to his home? I would assume that up by Valleyview they're probably within sight of the kitchen window, but I don't know. And they would be sour gas wells.

Why hasn't the government established a land-use policy that would prevent potentially dangerous developments from threatening residential communities? We have the Compton application, for example, and if we look at this Public Safety and Sour Gas Final Report from March 2007, that the EUB just issued, there is a lot written here; there is a lot discussed. I'm not sure if we've done enough with the emergency zones. Certainly, we've had some sour gas leaks in the past, and I don't think the rules were followed. Just looking through that, I don't think that this is going far enough to provide a measure of public safety.

Now, there's the whole issue of industry, again, versus agricultural land. We don't have a comprehensive, effective land-use policy in this province. The hon. Member for Edmonton-Riverview was developing one, and it's the best plan that we have to date, a land-use policy. But in the interests of Alberta we see landowners and we see industry, and there seem to be continuous clashes between landowners and industry. Landowners certainly don't have confidence in the regulatory process. Every public meeting I attend, public member after public member stands up. Their issues are valid, and they're not being addressed.

Industrial development is going to continue. Tensions between industry and landowners will also continue. Rural landowners in this province are dealing with unprecedented growth levels, growth that often involves projects that infringe upon their lands, whether it's water issues, whether it's access issues.

Mr. Chairman, one example that illustrates the need for a comprehensive land-use policy is the proposed 500 kV line between

Edmonton and Calgary. I'm still not satisfied from before, the questions I had in regard to this 500 kV line, but why has the Department of Energy specifically failed to ensure that landowners who are affected by this proposed line are fully informed? Landowners are telling us that they have never been fully informed. Does the Minister of Energy agree that the entire process regarding this line has been flawed from the start, resulting in tense confrontations between landowners and the EUB? Does the minister agree that an effective land-use policy like the one that the hon. Member for Edmonton-Riverview developed—a land-use policy like the hon. member's—would help to prevent such problems? I'm sure he agrees with that.

What process does the government currently use to weigh landowner interests against those of industry, and, again, why does the government favour industry always in these situations, as is apparent when looking at the land agent licensing process? You can't hire a friend or a relative or a family member to negotiate. You must negotiate with the industry representative. That's a bad law. That's a very bad law.

As this worked its way through the court system in Vegreville this winter, it was quite evident to everyone that that was a bad law. It still hasn't been changed. I would stay here until July and debate that legislation if the hon. minister is quite willing to change that—take a bad law and make it into a good law—because landowners are not happy. They're not happy with that. The courts did what they could, and hopefully the hon. minister of municipal affairs is going to change that law this session.

Now, Mr. Chairman, with a comprehensive land-use strategy we could avoid many of the problems that arise between rural landowners and oil and gas companies. We've also seen problems arise due to the flawed legislation, as I stated earlier, relating to the licensing of land agents and the inability of landowners to hire a representative who has their interests in mind. Does the Minister of Energy agree that the clash between industry development and rural landowner rights is an important issue that needs to be dealt with more effectively by this government by changing the Land Agents Licensing Act? Does the minister agree that an effective land-use policy would help to mitigate some of these problems, for instance by designating certain land as exempt from mineral exploitation?

Now, with the lack of planning with the upgraders, I would like to ask the hon. minister in the time that I have left about the CHOPS report, which is Cold Heavy Oil Production with Sand in the Canadian Heavy Oil Industry. This was an issue that we brought forward in question period earlier. This was done by the department, I realize, before the hon. minister's time as Energy minister, but the bitumen industry is the Rodney Dangerfield of the oil patch. It doesn't get the respect that it should. I think that in the next 10 to 15 years we're going to see a significant shift, and bitumen production and bitumen upgrading are going to take more of a prominent role in this province.

We have bitumen shipped to upgrading and refining facilities in Chicago and Minneapolis; Kansas City; Billings, Montana; and several other smaller facilities that have been redesigned over the years to accept a heavier feedstock. I for one think that there should be a different royalty structure here for a number of reasons. I almost think there should be a royalty structure on the viscosity, but also there should be a royalty structure on where it's upgraded. If it's upgraded south of the border, I'm sorry, you're not going to get it at a bargain basement price because the margins are so significant.

This is the Department of Energy's own research. This is using older figures, that are four years old. Assuming that the upgrading facility needs \$8 Canadian a barrel to be reasonably profitable, and assuming that 300,000 barrels a day of heavy crude go to the U.S.A.,

and assuming a differential that averages \$15 Canadian a barrel over the year, this is a difference of about \$760 million per year. That difference makes the upgrading of this bitumen extremely profitable for the Americans. I know the hon. minister did the right thing today when he pointed out the differences in the New Democratic Party policy. I couldn't agree with him more on that, but there has to be a long-term strategy by this government to deal with bitumen upgrading, and it has to be done in this province.

Thank you.

The Deputy Chair: Hon. ministers, we have about five minutes left. Does anybody wish to respond to the questions that have been raised so far? The hon. Minister of Energy.

Mr. Knight: Well, thank you very much, Mr. Chairman. Certainly, there are a number of issues that the member opposite has brought up. Five minutes is probably not enough to really give you the full answers to all of these questions, but I will answer them all nevertheless.

Sour gas development near other developments, particularly residential developments, is a very serious concern in the province of Alberta. Most certainly, we do have in place a very good system with respect to the development, the application, the permitting, the requirements for emergency response. Those issues are all taken very seriously into account. The minister indicated the area of the world that I come from. Indeed, there are sour gas developments very close to my residence. It's been that way for well over 30 years. Certainly, the safety record in that particular area is impeccable. We have to my knowledge had no serious incidents with respect to the production and processing of sour gas as it relates to difficulties with residents.

5:40

The issue around not informing landowners with respect to developments and why isn't the department informing landowners. Again, Mr. Chairman, I would suggest that we have quasi-judicial boards in place to do exactly that. We do not want to politicize those types of issues, so there is a process in place that keeps that from happening. The EUB is certainly tasked with operating that, the application and hearing process, and most certainly under most circumstances they have done a very stellar job of doing exactly that.

The question around effective land-use policy and do I agree or not agree that this may alleviate some problems. Most certainly, I believe that over the years we have had fairly effective land-use policies, but the framework that's being discussed currently has potential, indeed, to help lay a path forward for the development – and orderly development – of the land use in the province of Alberta, not only with respect to energy but most certainly with respect to other industry, the general use of land for recreation and relaxation for Albertans. I believe that it is positive.

The report that the member speaks of with respect to bitumen refining. Certainly, we're headed down that path. Mr. Chairman, as I had indicated earlier to another member, the percentage that we upgrade currently, around the 65 to 70 per cent range, is headed well beyond that between now and 2016. There is a solid plan in place to do the upgrading. We have actually come forward with an incremental ethane extraction program, and that is going to incent additional upgrading and the use of the off-gases from that upgrading in the petrochemical industry. So the answer to that is that we are working; we have a solid plan to move ahead.

He asked about the royalty structure. Certainly, we are looking at being able to tie upgrading in the bitumen area into the royalty structure in some manner that would address the concerns that the member has brought up.

Vote on Main Estimates 2007-08

The Deputy Chair: I hesitate to interrupt the hon. minister, but momentarily we will be proceeding with the votes. At this time I'd like to ask all the officials to leave. I want to thank them also for their participation today. I'd advise all the members to please return to your seats as we begin the voting.

Hon. members, I also want to advise you that as per our Standing Orders should we have division, the first division will be for 10 minutes, and any subsequent division will have a one-minute gap between the bells.

With that, hon. members, pursuant to Standing Order 59.04(5), which requires that the estimates of the offices of Legislative Assembly be decided without debate or amendment prior to the vote on the main estimates, I must now put the question.

Agreed to:

Offices of the Legislative Assembly

Expense and equipment/inventory purchases \$94,642,000

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

We now get to the ones that have been split up. Pursuant to Standing Order 59.04(1)(b) and in accordance with notification provided to the chair and the Clerk on June 5, 2007, I will now put the following questions.

After considering the 2007-2008 government estimates for the general revenue fund and lottery fund for the Department of Education for the fiscal year ending March 31, 2008, expense and equipment/inventory purchases, \$4,248,416,000, and nonbudgetary disbursements, \$1,000,000, are you agreed?

[The voice vote did not indicate agreement]

[Several members rose calling for a division. The division bell was rung at 5:47 p.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Shariff in the chair]

For the motion:

Ady	Fritz	Ouellette
Amery	Graydon	Pham
Backs	Groeneveld	Prins
Brown	Haley	Renner
Cardinal	Hancock	Rogers
Cenaiko	Herard	Snelgrove
Danyluk	Horne	Tarchuk
DeLong	Knight	VanderBurg
Dunford	Mar	Webber
Evans	Morton	Zwozdesky

Against the motion:

Agnihotri	Flaherty	Miller, B.
Blakeman	MacDonald	Miller, R.
Bonko	Martin	Taft
Eggen	Mather	Tougas

Totals: For – 30 Against – 12

[The estimates of the Department of Education were carried]

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

[Mr. Shariff in the chair]

Hon. Members: Agreed.

6:00

The Deputy Chair: Opposed? Carried.

After considering the 2007-2008 government estimates for the general revenue fund and lottery fund for the Department of Environment for the fiscal year ending March 31, 2008, expense and equipment/inventory purchases, \$162,336,000, and nonbudgetary disbursements, \$1,000,000, are you agreed?

[The voice vote did not indicate agreement]

[Several members rose calling for a division. The division bell was rung at 6:01 p.m.]

[One minute having elapsed, the committee divided]

[Mr. Shariff in the chair]

For the motion:

Ady	Fritz	Ouellette
Amery	Graydon	Pham
Backs	Groeneveld	Prins
Brown	Haley	Renner
Cardinal	Hancock	Rogers
Cenaiko	Herard	Snelgrove
Danyluk	Horner	Tarchuk
DeLong	Knight	VanderBurg
Dunford	Mar	Webber
Evans	Morton	Zwozdesky

Against the motion:

Agnihotri	Flaherty	Miller, B.
Blakeman	MacDonald	Miller, R.
Bonko	Martin	Taft
Eggen	Mather	Tougas

Totals: For – 30 Against – 12

[The estimates of the Department of Environment were carried]

The Deputy Chair: Hon. members, shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

After considering the 2007-2008 government estimates for the general revenue fund and lottery fund for the department of Executive Council for the fiscal year ending March 31, 2008, expense, \$23,209,000, are you agreed?

[The voice vote did not indicate agreement]

[Several members rose calling for a division. The division bell was rung at 6:06 p.m.]

[One minute having elapsed, the committee divided]

For the motion:

Ady	Fritz	Ouellette
Amery	Graydon	Pham
Backs	Groeneveld	Prins
Brown	Haley	Renner
Cardinal	Hancock	Rogers
Cenaiko	Herard	Snelgrove
Danyluk	Horner	Tarchuk
DeLong	Knight	VanderBurg
Dunford	Mar	Webber
Evans	Morton	Zwozdesky

6:10

Against the motion:

Agnihotri	Flaherty	Miller, B.
Blakeman	MacDonald	Miller, R.
Bonko	Martin	Taft
Eggen	Mather	Tougas

Totals: For – 30 Against – 12

[The estimates of the department of Executive Council were carried]

The Deputy Chair: Hon. members, shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

After considering the 2007-2008 government estimates for the general revenue fund and lottery fund for the Department of Municipal Affairs and Housing for the fiscal year ending March 31, 2008, expense and equipment/inventory purchases, \$812,030,000, are you agreed?

[The voice vote did not indicate agreement]

[Several members rose calling for a division. The division bell was rung at 6:12 p.m.]

[One minute having elapsed, the committee divided]

[Mr. Shariff in the chair]

For the motion:

Ady	Fritz	Ouellette
Amery	Graydon	Pham
Backs	Groeneveld	Prins
Brown	Haley	Renner
Cardinal	Hancock	Rogers
Cenaiko	Herard	Snelgrove
Danyluk	Horner	Tarchuk
DeLong	Knight	VanderBurg
Dunford	Mar	Webber
Evans	Morton	Zwozdesky

Against the motion:

Agnihotri	Flaherty	Miller, B.
Blakeman	MacDonald	Miller, R.
Bonko	Martin	Taft
Eggen	Mather	Tougas

Totals: For – 30 Against – 12

[The estimates of the Department of Municipal Affairs and Housing were carried]

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Those members in favour of each of the resolutions for the departments not yet voted on for the 2007-2008 government estimates for the general revenue fund and lottery fund for the fiscal year ending March 31, 2008, please say aye.

Hon. Members: Aye.

The Deputy Chair: Opposed, please say no. The motion is carried. Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The Committee of Supply shall now rise and report the 2007-2008 offices of the Legislative Assembly estimates and the 2007-2008 government estimates for the general revenue fund and lottery fund.

6:20

[The Speaker in the chair]

Mr. Shariff: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions relating to the 2007-2008 offices of the Legislative Assembly estimates and the 2007-2008 government estimates for the general revenue fund and lottery fund, reports as follows, and requests leave to sit again.

The following resolutions for the fiscal year ending March 31, 2008, have been approved.

Support to the Legislative Assembly, expense and equipment/inventory purchases, \$52,086,000; office of the Auditor General, expense and equipment/inventory purchases, \$20,770,000; office of the Ombudsman, expense, \$2,546,000; office of the Chief Electoral Officer, expense and equipment/inventory purchases, \$13,228,000; office of the Ethics Commissioner, expense and equipment/inventory purchases, \$884,000; office of the Information and Privacy Commissioner, expense and equipment/inventory purchases, \$5,128,000.

Advanced Education and Technology: expense and equipment/inventory purchases, \$2,918,055,000; nonbudgetary disbursements, \$118,300,000.

Agriculture and Food: expense and equipment/inventory purchases, \$574,522,000.

Children's Services: expense and equipment/inventory purchases, \$975,616,000.

Education: expense and equipment/inventory purchases, \$4,248,416,000; nonbudgetary disbursements, \$1,000,000.

Employment, Immigration and Industry: expense and equipment/inventory purchases, \$856,883,000.

Energy: expense and equipment/inventory purchases, \$204,519,000.

Environment: expense and equipment/inventory purchases, \$162,336,000; nonbudgetary disbursements, \$1,000,000.

Executive Council: expense, \$23,209,000.

Finance: expense and equipment/inventory purchases, \$124,346,000; nonbudgetary disbursements, \$59,695,000.

Health and Wellness: expense and equipment/inventory purchases, \$12,023,189,000; capital investment, \$26,718,000.

Infrastructure and Transportation: expense and equipment/inventory purchases, \$3,173,447,000; capital investment, \$1,448,512,000; nonbudgetary disbursements, \$2,175,000.

International, Intergovernmental and Aboriginal Relations: expense and equipment/inventory purchases, \$67,671,000.

Justice: expense and equipment/inventory purchases, \$358,777,000.

Municipal Affairs and Housing: expense and equipment/inventory purchases, \$812,030,000.

Seniors and Community Supports: expense and equipment/inventory purchases, \$1,754,655,000.

Service Alberta: expense and equipment/inventory purchases, \$383,147,000.

Solicitor General and Public Security: expense and equipment/inventory purchases, \$489,123,000; capital investment, \$23,894,000; lottery fund payments, \$1,454,407,000.

Sustainable Resource Development: expense and equipment/inventory purchases, \$344,725,000; capital investment, \$26,200,000.

Tourism, Parks, Recreation and Culture: expense and equipment/inventory purchases, \$741,904,000; capital investment, \$19,284,000; nonbudgetary disbursements, \$9,712,000.

Treasury Board: expense and equipment/inventory purchases, \$19,240,000.

The Speaker: On the lucid report provided by the hon. Deputy Chair of Committees would all hon. members in favour of the report please say aye.

Hon. Members: Aye.

The Speaker: Would those opposed please say no. The report is carried.

The House stands adjourned until 1 o'clock next Monday.

[The Assembly adjourned at 6:26 p.m.]