

Legislative Assembly of Alberta

Title: **Monday, May 2, 2005**

8:00 p.m.

Date: 05/05/02

[Mr. Shariff in the chair]

The Acting Speaker: Please be seated.

Hon. members, before we proceed with the business before us, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

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

Mr. Mason: Thank you very much, Mr. Speaker. It gives me great pleasure to introduce to you and through you to members of the Assembly the members of the Elder Advocates of Alberta Society. This organization is comprised of advocates on behalf of the frail, dependent, and elderly in our society. The Elder Advocates Society is here today to show their support for our motion regarding long-term care and seniors' rights. I would ask that they rise and receive the traditional warm welcome of the Assembly.

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

Mr. Eggen: Thank you, Mr. Speaker. I have two sets of introductions this evening. It gives me great pleasure to introduce to you and through you to the members of this Assembly Ireen Slater. Ireen is currently the vice-president of Seniors United Now central chapter. Ireen is the recipient of many awards for her tireless work in the community, including the United Nations International Women's Day award for exemplary service. She is here today in support of our motion on long-term care, and that's great.

My other set of introductions is much more of a personal one. I have my family: Genevieve, Ava, and Somboon Eggen. This is the nuclear family of the Eggens, the reason that I do all of the things that I do. They give me all of the support in the world, but they did wonder where I was going all the time in the evenings, so now they've followed me, and now they know. Ava, by the way, is collecting money for Jump Rope for Heart. Her school is the very top school for donations for jump rope, the Heart and Stroke Foundation. Every year they raise the most money in the entire province of Alberta. You might see something like this coming by you this evening; you never know. I would appreciate your support. Could everyone rise and please receive the warm welcome of the Assembly.

head: **Motions Other than Government Motions**

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

Long-term Care Standards

507. Mr. Mason moved:

Be it resolved that the Legislative Assembly urge the government to take immediate steps to improve the quality of care provided to Albertans living in long-term care facilities by improving staffing ratios, introducing enhanced standards for long-term care facilities, and implementing more frequent and rigorous facility inspections.

Mr. Mason: Thank you, Mr. Speaker. I would like to briefly speak to the motion. I was telling my son after supper – he asked what I was doing in the Assembly tonight – a little bit about this issue. When I told him some of the conditions that seniors are forced to endure in a long-term care facility, he was concerned, and I think he was also, frankly, skeptical that it could be as bad as it was.

Now, some of the stories that we have heard from people who have looked into this that have travelled and visited nursing homes – and Lynda Jonson has visited over 100 facilities in this province – are shocking and, in fact, hard to believe at first. The fact that people would get at most one bath a week, that they would not have their sanitary needs taken adequate care of, that there would be bedpans that were not emptied, that the facilities were unclean: these were all shocking to him, and he was a bit skeptical. When I said that in some cases people weren't even being adequately fed in the facilities, he frankly didn't believe it.

Mr. Speaker, when I heard some of this stuff for the first time, I was also skeptical. I felt that it was perhaps being exaggerated, but the more we look into it and the more we hear from people, we realize that, in fact, these conditions do take place right here in Alberta, and they're not rare. They're relatively common.

Of course, I want to indicate that it really has to do mostly with staffing levels. Most of the staff, almost all of the staff that work in our long-term care facilities are in fact dedicated, caring people who try to do the best with what they have for the people, but there are just not enough of them.

Mr. Speaker, the fact is that there are no legislated standards in this province for people in long-term care. There are no staffing standards at all for designated assisted-living facilities. More and more beds are being built as assisted-living beds, not nursing home beds where there is some minimal standard.

The case that we've seen in Camrose at the Bethany care centre is a good example. It was redesignated from a nursing home to an assisted-living facility. As a result of that, eight registered nurses were let go by the facility on January 31, 2005, and the result is that there is no longer enough staff to provide minimal care. That has directly led to the issue that we've seen where Marie Geddes, an 86-year-old diabetic, began a hunger strike to protest what she considers to be a severe staffing shortage in care homes around the province. She has since ended that strike, but the support for her cause continues to grow. Most recently the Alberta Union of Provincial Employees added its voice to the growing criticism of the nursing home situation in this province.

Mr. Speaker, I would hope that we would all agree that we need to have higher standards in care. Right now the province has required 1.9 hours of care per patient. The standard that we need to aim for is four. I hope that we can move to increase the standards so that people receive the care they need.

Another aspect, Mr. Speaker, is the question of inspections. I was shocked to learn that, in fact, there are no guarantee that nursing homes in this province will be inspected at least annually. Sometimes in many cases they receive an inspection in only two or three years, and that is unacceptable.

What we need, clearly, are stronger standards for staffing levels, inspections to ensure sanitariness and cleanliness in the facilities and to ensure that people are not abused. We need to have, in my view, as well, councils of people who have relatives in care that can act as advocates for people within those facilities, and we need to have adequate training for people who are involved in the provision of this care.

8:10

You know, we like to talk about seniors and the contributions they've made and how they built the province. All of that is true,

but we also need to remember in their declining years that they have made a contribution to this province. We should not be turning our backs on them. In fact, we should honour them and treat them with the dignity that we also would expect for ourselves and for our loved ones. That, I think, is the direction that we need to go.

I would ask, then, for support from members of the House. We've tried to present this in a way that's positive, that isn't pointing fingers, and in a way that will make a difference, we hope, if the political will is there, for the seniors of our province. Thank you, Mr. Speaker.

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

Mr. Snelgrove: Good evening, Mr. Speaker, and thank you. I would like to make an amendment to the hon. member's motion to more accurately reflect some of what is already occurring and maybe to remove or correct some misleading language in the motion. I believe the hon. member's intent is admirable, and I think all members of this House truly do care and want to see that our seniors are looked after in a way that respects their dignity and their ability to live the quality of life that they deserve.

I'll just wait till the amendment has been passed out, and then I'll proceed.

The Acting Speaker: Hon. member, you may proceed.

Mr. Snelgrove: Thank you, Mr. Speaker. I move that we strike out the word "immediate" and substitute it with the word "further"; that we strike out the words "improving staffing ratios, introducing enhanced" and substitute that with the words "reviewing staffing levels and"; lastly, that we strike out the words "implementing more frequent and rigorous facility inspections" and substitute that with the words "ensuring that frequent and rigorous facility inspections continually occur."

Without question the Alberta government cares deeply about those people who are living in long-term care. The hon. Member for Edmonton-Highlands-Norwood would have some believe that they are the only ones who care about the residents in Alberta's long-term care facilities, and that is simply not true. Politicizing individual residents in long-term care is not something that you will hear any member on this side of the House do tonight or ever.

I would like to remind members that it was this provincial government that brought forward the Healthy Aging: New Directions for Care report in 1999, also known as the Broda report. It was the Alberta government that brought forward the Protection for Persons in Care Act in 1998. It was a previous PC government that brought in the Health Facilities Review Committee Act in 1978. It was the former Member for Calgary-West, a member of the government side, that brought forward Motion 506 in 2001 to identify palliative care as a core service. It was also the Alberta government that in its most recent budget set aside \$10 million in additional funding specifically to increase paid hours of staffing in long-term care facilities.

All of this being said, I listened very intently to the hon. member's opening remarks, and I have read his motion very carefully. It reads:

Be it resolved that the Legislative Assembly urge the government to take immediate steps to improve the quality of care provided to Albertans living in long-term care facilities by improving staffing ratios, introducing enhanced standards for long-term care facilities, and implementing more frequent and rigorous facility inspections.

The problem I have with this motion is not its overall general intent. We are already doing most of this. But I do have a problem with some of the words that this member has proposed.

The first line currently is to "urge the government to take immediate steps." Well, Mr. Speaker, as much as we all would absolutely love for the government to be able to snap their fingers and see any and all issues immediately resolved, that just isn't reality. I guess we shouldn't be surprised. Reality is not something on which the hon. member always has a firm grip.

Even if the government decides that they wanted to increase the number of staff members in long-term care facilities tomorrow, it would take considerable time to find, train, and hire the requested staff. We already have a health care worker shortage in Canada. You can't just pull workers out of your hat, as some members might believe.

I also take issue with some of the wording regarding staffing ratios. Ratios talk about the number of workers per resident. I'm not sure why we would use this as a measure of how well we are doing. You could pack a long-term care facility full of employees and still not see the levels improve.

The government has decided to focus on actual patient care rather than a ratio of warm bodies. This government has also made a commitment of moving from the current level of an average of three hours per day per patient care to 3.4 hours of care per patient per day by 2006-07. This is a significant increase. With over 14,000 residents in long-term care that is an additional 5,600 hours of care per day, and that could require some 700 additional employees.

I also have a problem with the wording that the government should implement "more frequent and rigorous facility inspections." The Alberta Health Facilities Review Committee has already done some stringent standards and conducts many inspections every year. I do believe this is something that needs to be commended and continued, but to suggest that this needs to be implemented would say that we don't already have rigorous and frequent inspections, which we do.

Mr. Speaker, I was a very proud member of the Health Facilities Review Committee for close to three years with the former hon. Member for Edmonton-Meadowlark, and I know that the people that sit on that committee were as caring, as diligent, and as compassionate as any people that have sat on a board anywhere in this province. The scope of their investigations included but weren't limited to

- Care and treatment of patients or residents that respects both their privacy and dignity.
- Opportunities that permit well-informed and independent choices.
- Accommodation that is comfortable, clean and safe.
- Professional and support staff who are caring and accessible.
- Diagnostic and therapeutic services as well as rehabilitative and recreational programs that are accessible to patients and residents.

Also, to work with

- Volunteer and community groups who are involved and provide support.

Mr. Speaker, I could go on to the number of inspections they reported every month there, but with a team of about 11 inspectors working close to 14 or 15 days a month – many of the facilities took several days, three or four days in some of the larger ones and some just one day – the reports came back and they were portrayed as people who knew what to look for, who knew who to talk to, who knew how to find out how the people were being cared for, and I believe the members on this committee deserve more respect than the inference that they aren't doing a diligent and very good job for the seniors in this province.

Mr. Speaker, while I do have a few problems with the motion, it's not all bad. Most of what is being urged in the motion is already being done or already under way by the government, certainly a work in progress. We are already working to improve the quality of care for the residents of long-term care facilities. We are already increasing the number of hours of care provided. The Minister of

Health and Wellness is looking at updating our standards, and the rigorous inspections are continuing throughout the province.

I believe this amendment will more accurately reflect the practices that are in place already while still reminding us that we must continue to take strides to make the best system in Canada even better. On behalf of all the seniors in Alberta I would urge all members to support this amendment. Thank you, Mr. Speaker.

The Acting Speaker: On the amendment, the hon. Member for Edmonton-Calder.

Mr. Eggen: Thank you, Mr. Speaker. I rise with some interest to speak to the amendment from the hon. Member for Vermilion-Lloydminster. I'm pleased in some sense that he is supporting, presumably his caucus as well, some spirit of the motion that my fellow caucus member put forward. I think that it's important for us to make some differentiation here between certainly the wording of the amendment and how it changes the spirit of Motion 507, that we, you know, spent quite a bit of time and effort and consultation to put forward.

I think that, first of all, each of the government members in this House would agree of the importance of looking after seniors in our province and, indeed, anywhere in the world. It's an important thing to look after people who are least able to look after themselves, and while we sometimes forget that in the middle of our lives with some degree of power and independence over our actions and our futures, we begin our lives requiring care, and we certainly end our lives requiring care. I myself fully intend to and look forward to becoming a senior in this fine province, as I'm sure most hon. members here do as well. I want to make sure – this is on a very, very selfish note – that we have absolutely the best care possible for everyone in these places. Because you know what? We're all going to end up in one of these places, right?

8:20

It's very important when you walk into an extended care facility – and I've been to many, many of them – that there is a caring, dare I say, a loving and a healthy sort of situation for our seniors to be in. We require, we expect that for our parents, and I think that we would expect that for ourselves. So please remember what we create here several years hence down the road will be the place that you might end up in. So perhaps there might be some degree of enlightened self-interest, in the fine words of Alexis De Tocqueville or someone like that, that would motivate us to build the very best extended care facilities that we can afford here in this province.

Since we're looking for support with the amendment, I'm certainly not entirely opposed to, I guess, the spirit of wanting to have adequate staffing levels or to review improving staffing levels. I guess you're moving it to "reviewing staffing levels." I think that it's important to understand what the reality of this province is in terms of staffing levels and supervision at this time. By no means are we bringing this motion forward to be critical of the fine work that people do in extended care facilities often understaffed, often overworked, and I daresay often without the guidance of clear principles from this Legislature to ensure minimum standards and to encourage exceeding those minimum standards.

My own wife, who is here this evening – and I'm not grandstanding for her by any means – is, in fact, an extended care worker. She is a health care assistant who has worked in these facilities for many years. In the various places that she's worked, I've seen varying standards of care; that's for sure. She fills my own anecdotal evidence with plenty of stories, you know, both positive and, unfortunately, sometimes negative as well. I think that we can

do better, and I think that the first thing to do is to set clearly defined goals of what those minimum standards should be that equate to adequate service for every single person in this province in extended care.

I think we need to legislate requirements for the number of nursing staff and staff-to-resident ratios. Currently Alberta has no minimum requirements for nursing and general staffing ratios. I think that I heard some noise about bringing it up to 3.2 hours a day. I think that we require at least four hours of nursing care per day.

An Hon. Member: What makes you an expert?

Mr. Eggen: I've got plenty of experience and plenty of people that I've spoken to, thank you very much.

I think that the 1.9 per health care resident per day, our minimum requirement, is well below 4, and certainly we have the capacity to fill the ranks of people who are willing to do this sort of thing. It's a question of training, and it's a question of paying and having the will to do so. It's not an expensive thing relative to the care and the output that you get. Often nursing care attendants and LPNs are people who will give out extra anyway because they're of a caring nature. So by giving them some latitude and allowing more care, you in fact get more than the minimum, which is what we see right now. People are in desperate circumstances, and they can't have enough hours in their shift to get through more than 1.9 hours of nursing care per person per day.

Standards, qualifications, and training for staff I think are needed as well. Alberta has no legislated standard qualifications for health care aides who do otherwise provide most of the day-to-day personal and nursing care to residents. Okay? We have some excellent training programs throughout the province, and certainly it attracts more and more very first-rate and caring and interested individuals, but without a bottom line of standards it's very difficult to measure and it's very difficult to evaluate.

Let's not forget that when we're talking about extended care, we're talking about an arm of our overall health care system, and until we are honest about the way in which we evaluate any changes or even what the current state of our health care system is, then anything else is just experimentation. I would suggest, Mr. Speaker, that experimentation on our own citizens, especially our own senior citizens, is nothing short of irresponsible. So to put those minimum standards in place and legislate them here is our job. That's what we're meant to do here, and this is what this motion is encouraging.

Finally, we must take inspection and enforcement more seriously. Again, the hon. Member for Vermilion-Lloydminster made a very impassioned sort of plea for the people who are doing the inspections, but there are simply not enough of them. We need more inspectors, and we need to have a schedule by which each health care facility is inspected on a regular basis. That doesn't happen now, and it's something, again, that we can do here in this Legislature.

Unfortunately, a senior citizen had gone on a hunger strike in Camrose. This is an extreme manifestation of the frustration that many people across this province feel, the workers and the seniors in extended care facilities and the families that have their senior members in these facilities. I think that there is a tremendous amount of love and compassion and support that comes from extended care facilities. It's a place that, I confess, I enjoy visiting more than any other part of my constituency, but it's also a place where you can see the limitations of what we have put forward here as a Legislature, as legislators, the limitations that have a direct effect on the quality of people's lives.

For us to compromise the quality of people's lives, especially towards the end of their lives in their golden years, I think is something we need to look back on. I think that we need to swallow some of our personal differences that we might have from this motion coming from this side of the floor and rise together to create something better for everyone. So while I have some reservations on this amendment, just with the language, I encourage all of us to support the spirit of Motion 507. Thank you.

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

Mr. Chase: Thank you very much. In speaking to the amendment and speaking to the attitude in general, I would ask the Member for Vermilion-Lloydminster to shave some of the criticism off and comments like references to "reality," which I see as a form of ridicule. Every time we as a collective group stand and try and put forward an alternative, it should be given the dignity of a full debate. It concerns me that every time a suggestion comes from this side of the House, it is somehow viewed as a less valid alternative or having no basis, as the case was commented tonight, in reality.

We're all elected. Every one of us represents somewhere between 35,000 and 40,000 constituents. They expect us to work together for the betterment of this province. Every time we come up with a suggestion or a potential solution, I wish that the ideas were at least greeted with respect if not the members who suggest them.

You all are aware of my teaching background. If I went into my classroom with the type of attitude and type of demeaning circumstance which seems to resonate in this House, I would have no respect from my students. In question period there's a rivalry here. There's desk pounding. There's a degree of taunting and so on. I don't agree with it, and neither does the hon. Member for Calgary-Mountain View, but that's a tradition. The tossing of insults back and forth when a motion or a bill is introduced I think should have a higher level.

8:30

With reference directly to the amendment, the amendment wants to strike out "immediate" and substitute "further." How much further do we have to wait for action to be taken? A number of groups have commented about: when is the process going to result in improvements?

The Auditor General, Mr. Dunn, agreed last spring to look into long-term care conditions, facilities, staffing ratios, and so on. Because of what I consider to be a premature election call in the fall, his report was not brought to this parliament. We're still waiting for that report. Hopefully, when the recommendations are provided by the Auditor General, this House will work immediately – I'll use the initial word – to institute the reforms that he is suggesting.

"Further" just means add on. It doesn't deal with the immediacy of what seniors are currently experiencing, and it's not experiencing at the hands of staff who, for the most part, are caring. It's the number of them and the fact that they don't have the time to give the patient care that is required.

Let's look at (b). It says, "reviewing staffing levels." The Auditor General, again, will have done that review. It is gravely apparent that we are understaffed. I don't see how there could be any argument about that staffing ratio. What I would invite each and every member to do if they haven't been in a seniors' facility lately, whether it be a high-end or a lower end facility, is go in there. Don't just do a quick tour of the room. Visit a senior, particularly one in a ward where dementia is frequent, and spend some time with the wife or the daughter or the son who is there with their senior, suffering great difficulties. Possibly, a larger degree of empathy could be achieved.

With regard to the (c) amendment, what was asked for was "implementing more frequent and rigorous facility inspections." Implementing, ensuring. "Ensuring" to me doesn't – unless you build in how you're going to ensure that these rigorous facility inspections continually occur, I support the initial wording of "implementing." I would like to add some stronger language myself, such as guaranteeing and putting a timeline and a regular inspection expectation, but I'm very hopeful that the Auditor General will have a comprehensive report and, when that report is finally in this House, that it will be greeted with support and enacted.

Thank you.

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

Ms Pastoor: Thank you, Mr. Speaker. I wasn't going to speak to this amendment. I wasn't sure of the exact protocol, if I could make comments about it in the comments that I wanted to make on the motion itself, so I will just make a very brief comment about the amendment. I really feel that this amendment is strictly verbiage to help the other side feel less guilty and responsible for 86 year olds going on hunger strikes.

The Acting Speaker: Anybody else on the amendment? The hon. Member for Calgary-Egmont.

Mr. Herard: Thank you very much, Mr. Speaker. I was one of the fortunate people who worked with the Health Facilities Review Committee for a number of years. I chaired the committee and worked with citizens from all over the province who took their duties very seriously, who were all severely normal Albertans, who saw problems as they were, real or imaginary, and reported back, and subsequent actions were taken.

Possibly one of the things that has changed – this was in my first term, and of course I'm now on my fourth term, so it's been a while – over the years is the case mix, and the severity of illness or acuity of illness may have changed. But I do recall that back in the days when I was chairing that committee, if there was any concern whatsoever with respect to staffing levels, one could request the health department to go and do an audit of acuity to see if, in fact, the case mix in that facility was such that it would require additional staffing. So it's not at all like some people would like others to believe, that nobody looks at these things and there aren't standards.

The fact of the matter is that if the people across the way feel that, you know, you need a minimum of four hours in terms of staffing levels, well, in which facilities? They're all different. They all have a different case mix. They all have different acuity. Many of them are in fact reverting back to something that is closer to a lodge and not necessarily a long-term care facility, and from what I'm hearing from across the way, that doesn't seem to matter.

I guess the big thing is that governments typically operate putting things in pigeonholes, and if the pigeonhole doesn't fit, then you've got problems. I'm more for flexibility. If a facility requires more help because of the type and mixture of cases that are there, then, fine, provide it. If a facility requires less service because of the type and mix of, you know, people who are there and how ambulatory they are and whether or not they eat by themselves – they don't have to be fed – all of these kinds of things, then I think that a facility like that should have the flexibility. I'm going to support the amendment because I don't think that hard-and-fast rules are what work in this kind of situation.

Now, with respect to the inspections, I felt, when I was there, that one of the best aspects of that whole thing was unannounced inspections; in other words, the facility didn't know when you were

coming. It almost sounds to me, from listening to what I'm hearing from the other side, like they want regularly scheduled inspections so that, you know, you've got time to get yourself shipshape for the inspectors. Well, I'd much prefer unannounced kinds of inspections because then you get to deal with the people who are there on that particular day – the visitors, the relatives, the friends – and you get to see a little more reality.

I think that the amendments that were brought forward by the hon. Member for Vermilion-Lloydminster are quite appropriate. Thank you.

The Acting Speaker: Anybody else on the amendment? The hon. Member for Cypress-Medicine Hat.

Mr. Mitzel: Thank you, Mr. Speaker. First off, I'd like to say that I presently have the honour of being the chair of the Health Facilities Review Committee, and I'd like to say a few words about the work that this committee does. The mission of the Health Facilities Review Committee is to ensure that quality of care, treatment, and standards of accommodation are maintained in these health facilities throughout Alberta. This committee is responsible for conducting regular and, as the previous speaker mentioned, unannounced routine visits at hospitals and nursing homes for the purpose of reviewing and inspecting them and for investigating complaints about care, treatment, and standards of accommodation made for and on behalf of individual patients and residents in these facilities.

8:40

This committee is currently responsible for 216 facilities in the province, and, as was mentioned, they conduct routine reviews approximately every 18 months to three years, depending on the current financial, committee, and staffing resources. The reviews are always conducted unannounced, and a specific time frame is not announced to enable the committee to vary its visiting schedule so members are not expected when they visit. The number of reviews per year can vary depending on the number and complexity of complaint investigations being carried out in any one fiscal year.

This committee is hard working and is committed to obtaining feedback from the users of the system. There really are several mechanisms in place to evaluate the effectiveness and performance of Alberta's health care facilities, but the committee's unique perspective, I feel, through the collection of feedback directly from users of the system, is an invaluable and critical part of the overall program delivery and accountability.

I think I'd like to take this opportunity, too, to thank the various stakeholders and advocacy groups who continue to lobby the government and who provide valuable feedback about the health care delivery system, its deficits and its areas for improvement, through the expression of their concerns. We take these concerns very seriously and are striving to work with the system to address these.

I think we're working hard to improve our own processes and the quality and the content of our reports in order to become even more effective in our work. We take any feedback and concerns expressed very seriously and are committed to doing the best job possible on behalf of Alberta's citizens.

Thank you.

Mr. Mason: I just want to be clear, Mr. Speaker. Your guidance: I am entitled to speak to the amendment as well as the main motion?

The Acting Speaker: We have an amendment on the floor, and the hon. member can speak to the amendment. When we revert back to

the motion as amended, you have already spoken at that stage, so you will not be able to speak.

Mr. Mason: So I would just close then.

The Acting Speaker: No. You're not closing debate right now. You are speaking on the amendment. We haven't voted on the amendment as yet.

Mr. Mason: Yes. Okay, thank you, Mr. Speaker.

The Acting Speaker: Hon. member, you will also receive the five minutes to close debate.

Mr. Mason: Yes. Thank you. That's what I wanted to be clear. I just wanted to deal with this amendment, Mr. Speaker. I don't support the amendment, and I think there are some good reasons for this.

It seems that the government wants to expunge from the motion any implied criticism that they may not have done an exemplary job in this area, and that seems to be the purpose of the amendment. The purpose of the amendment seems to be to find a way to not vote against the motion but to pretend that everything is absolutely just exactly the way it should be. Some of the language, for example, is to take "further" steps to improve the quality, and "reviewing" staff levels instead of increasing them is a bit of a problem.

I want to respond to some of the comments made by the hon. Member for Calgary-Egmont. He says that we need flexibility because each institution is different and there's a different level of acuity and the care mix is different in each one, so flexibility is required. In saying that, he's implying that these are the factors that are taken by the operators of long-term care facilities when they reduce their staff. I think that that's absolutely incorrect, Mr. Speaker. They have economic reasons for reducing staff and funding reasons for reducing staff. It is simply not a question of matching the staff to the patients, or we wouldn't have some of the problems that we've been hearing about. So the flexibility he's talking about is really the flexibility of the people operating these facilities, in many cases private owners who reduce staff below what really is necessary.

He also tries to imply that we're promoting regularly scheduled and previously announced inspections, and there's nothing that we've said or nothing in the motion that would lead any reasonable person to believe that. Of course, there should be surprise inspections, but there need to be inspections on a frequent basis. In fact, if you go to 2000-2001, that year only 56, or 32 per cent, of the province's 176 long-term care facilities actually received an inspection. That's the problem, Mr. Speaker.

So here's the difficulty with the amendment. I think that it's really a straightforward motion, Mr. Speaker, and it's positive. It focuses on improving things in the future. I think the government is simply watering it down far more than is really necessary.

Thank you.

The Acting Speaker: On the amendment, the hon. Member for Cardston-Taber-Warner, followed by Edmonton-Decore.

Mr. Hinman: Thank you, Mr. Speaker. I'd like to rise and speak to this motion. I support the amendment to the motion, and I also support the spirit of this motion. I guess I'd like to make a few comments. I agree with the hon. Member for Calgary-Egmont in the fact that I feel it's sad and disheartening to think that we live in a time when society thinks we can be protected by more rules and

regulations and having to get everything down to a certain hour, a certain cost.

It goes back to, I guess, one of my basic beliefs in that we need to hire good people to manage these facilities and let them have the ability to make those decisions if they need extra staff because they have four seniors who have come in that need extra time as opposed to four that are working fairly well. I think what's important – and it will be reiterated again many times tonight, I'm sure – is the spirit that we do need to improve the level of care that we are giving, that there are times when the staffing is short and they struggle to provide the care that is maybe necessary, and they can fall back on their regulations and say: "Oh, but we did this once a week. We met our standards." We need to put, like I say, more of an onus on the actual operator of those facilities and to have them actually manage them to the best of their capability.

We seem to get stuck on the fact that we need to see the letters behind a person's name to see whether or not they're qualified, and we have to see whether or not they're part of a union and whether or not they can work there. We continue to put ourselves in these pigeonholes that basically stop us from giving the care and the attendance that we need to give to these seniors.

So I hope that we'll continue to have an open and honest discussion. The fact is that the inspections need to be improved, it sounds like, but keep them spontaneous so that they can show up and do that. Perhaps the area that seems to be hit the most is that we don't have the inspections there. So I hope that this motion will go forward and that we'll be able to improve the care and the attendance for our seniors in our facilities here in the province.

The Acting Speaker: Hon. Member for Edmonton-Calder – sorry, Edmonton-Decore, did you want to speak on the amendment?

Mr. Bonko: Thank you, Mr. Speaker.

An Hon. Member: You need a name tag.

Mr. Bonko: Yeah. I think I have a name tag. Thank you.

I think this is very timely. We do have that one particular case that is, in fact, out there in the rural area. Speaking on behalf of the residents within Edmonton-Decore, I have two long-term care facilities. One would be the Dickinsfield extended care centre, and I also have an Alzheimer's centre, not to mention that we could certainly use more facilities of those types. But just in speaking of those two in particular, I've toured those, and I've been inside. In fact, I've had grandparents, both grandparents, that were in fact within facilities, and I can only speak on what I've seen. Certainly, the staff do have compassion and they do care, but I think we have to recognize that the levels certainly could be increased with regard to the amount of people.

If we look at how much we give our pets as well as care, it in no way equates to the amount that we give to the seniors. We treat our pets with more dignity than we do our seniors, unfortunately, and I agree with that statement wholeheartedly. When we talk about the fact that we give revenues and that they're earned by the gaming commission at Northlands Park and we don't give that sort of money to the seniors, is that because they're no longer valid and no longer contributing members of our society because they aren't in fact earning a paycheque? That's unfortunate when we look at it like that.

8:50

I mention the other member who, in fact, had said that these people have contributed to Alberta in a meaningful and a significant

way. Eventually we're all going to be there; it's just a matter of fact. I would hope that when we do put some of these provisions forward, we don't continue to amend them, that we do have some long-term vision with regard to what we are going to need over the next 20 years. The system is certainly going to be stretched to its maximum capacity to be able to accommodate the amount of boomers that are coming through there.

I would like to see standards that won't have to be continually amended but are going to be amended because we do have some sight with regard to what we're going to need not only three or four years from now but 10 years from now and start making the necessary arrangements to have standards for those people as well as monitoring in place to ensure that we don't have concerns being raised on a daily basis. There might be the odd particular piece with regard to an individual basis, but overall we need to ensure that there are, in fact, standards that can be palatable to all the groups as well.

I think I would support the motion as it reads currently. I don't have any problems with regard to seeing some of the amendments in there. I think Motion 507 sits fine as it is then, Mr. Speaker.

Thank you.

[Motion on amendment carried]

The Acting Speaker: On the motion as amended, the hon. Member for Lethbridge-East.

Ms Pastoor: Thank you, Mr. Speaker. In case you smell burning in here, it's probably the smoke coming out of my ears. I'm just a tad excited.

In answer to something that may come over from that side, yeah, I am an expert. I've fed people, I've wiped bottoms, I've hugged and kissed, I've put people to bed, and I've held the hands of people that died. This is a very timely issue that must be addressed. I'm delighted that the member has brought this motion forward because I have Bill 213 waiting in the lineup, and in all likelihood it wouldn't make this session, so I'm pleased that this is coming forward and that I can at least talk about it.

I really believe this has to be more than a debate. There has to be action on the part of this government, and my bill would be more comprehensive in that the staffing problem is not confined to what we seem to be talking about and understanding as long-term facilities. It has to be discussed in terms of anyone receiving long-term care regardless of where they live, be it long-term facilities, lodges, assisted living facilities, designated living facilities, or group home facilities for the mentally or physically disabled. We can put all the fancy names that we want on bricks and mortar, but bricks and mortar have nothing to do with care. It's actually this government that had mandated, when these new lodges and new facilities were being built, that everything had to be private rooms. Therefore, the space was much bigger, and the staff didn't meet that bigger space requirement. Bricks and mortar have nothing to do with care, responsibility, and dignity for the persons living in these facilities.

There appears to be a huge disconnect between this government's obsession with the bottom line and the dignity of humanity. When an elderly couple has been married for, say, some 40 years plus – and in an example that I have personal knowledge of, this couple had been married for 72 years. They were living in a lodge, and the husband was taken to hospital. It was clear that he could not return to the lodge as his acuity of care needs were more than was provided for there. So to wait for a bed in a long-term facility, he was transferred to an outlying town in hopes that later there would be space in the town he came from to be near his wife. This action, of course, was based on the first available bed policy. In the meantime,

the wife was crying practically nonstop because she was legally blind, very frail, and she kept repeating: I just know he's going to die before I see him again and say good-bye. Believe me, I listened with no answers.

There are certain levels of care for each person, and I know how difficult it is to manage, but keeping our seniors together that really need these different levels of care isn't even being discussed.

Presently there's a government initiative to have care workers in long-term care facilities given a 12-hour course and then obtain a certificate. This is not what I would consider updated standards. It's all well and good and probably expensive, but it does not address the real problem of staffing levels.

One of the important questions is: who gives out the medication, and who is qualified to do so? Having the staff of any care facility or staff working with those still living in their homes ensure that the red and blue pill is given at noon and has been taken from a blister pack prepared by a pharmacist is just not good enough. People trained to recognize adverse reactions, either instantly or over a period of time, is crucial. How much time and money is wasted at any care facility when in the case of an emergency, real or not, 911 is called because the staff cannot handle the situation?

All of that aside, I'd repeat from my maiden speech the importance of the dignity of the vulnerable in our society. It takes time, and time is money.

Alberta's long-term care legislation is badly outdated. We need to replace the Nursing Homes Act and certainly strengthen the Protection for Persons in Care Act. In fact, it is my opinion that there are no teeth at all. The Broda report has been in the making six years, and the government has yet to pursue new legislation.

Motion 507 identifies staffing ratios as an area of major concern. Alberta's minimum staffing standards are among the lowest in the country. My bill would ask that there be established recommended codes of practice for long-term care. Again, I want to reiterate that long-term care means anybody that is in care that is requiring chronic care, not just in what we traditionally know as long-term care facilities.

Also, in Bill 213 I would propose that there be a selected special standards of care committee established consisting of seven members of the Assembly, and I would of course like to see that all parties were included in that.

Motion 507 requires a commitment to interdepartmental co-operation and collaboration. At the same time, it's essential to identify which department is accountable. In my mind, I think that's one of the problems. Part of the care and responsibility is in Seniors and Community Supports, and the other part is under Health. I know these two departments do attempt to work together, but I think that something seriously has to be looked at instead of dividing off these responsibilities.

Improving the quality of life for seniors in long-term care involves setting standards for staffing qualifications and introducing a system for province-wide licensing and monitoring requirements for long-term care. The province-wide licensing I think is very important as we move further and further into the privatization of the delivery of care for the vulnerable people in our society.

Thank you.

The Acting Speaker: Anybody else on the motion as amended?

If none, I'd recognize the hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: Thank you very much, Mr. Speaker. Although I am disappointed that the motion has been considerably watered down by

the amendment, I think that there's a saying – and I'm sure it's not Alexis de Tocqueville – that half a loaf is better than no loaf at all. I've not had the experience yet in this Assembly of having the government actually pass one of my motions.

I think, you know, there are some positive things to be found in this. I'm assuming that once they amend a motion, they're going to vote for the motion as amended. But you know what? I've been disappointed so many times before.

I want to be a little bit specific. I want to be a little bit specific about what the NDP opposition is calling for, and that includes four points: minimum requirements for the number of nursing staff and the staff-to-resident ratios. Currently there are no legislated minimum requirements for nursing and general staffing ratios to require at least four hours of nursing care per day. Alberta's requirement currently is 1.9 hours of nursing care per resident per day, and that is simply not good enough.

9:00

There should be standard qualifications and training for staff. Alberta has no legislated standard qualifications for health care aides, who do provide most of the day-to-day personal and nursing care to residents.

Finally, to take inspection and enforcement seriously. I have to express concern, Mr. Speaker, about the concept that we've heard tonight of a committee of MLAs going around and conducting inspections of these facilities. There should be dedicated professional staff that do regular random tours and inspections of these facilities with the power, in fact, to enforce changes immediately if they find that things are in a substandard manner. I appreciate the commitment of those members who have undertaken this task, and I don't mean to question at all their dedication to the people in those facilities, but I do believe that this needs to be done by professional inspectors with real powers to make changes.

I think, Mr. Speaker, it's unfortunate that a senior citizen in Camrose had to go on a hunger strike to draw attention to the situation with respect to long-term care in this province. I think that in our centennial year it's time for the government to treat the people who built this province with the respect which they deserve.

This motion has one positive aspect, which is why I'm going to support it as amended, Mr. Speaker. This is the operative clause: that the government take steps "to improve the quality of care provided to Albertans living in long-term care facilities." That means that the motion is not completely obliterated, that there is a very positive message that's retained within that. So I appreciate that and think that we should support it.

I hope, Mr. Speaker, that this is not lip service just to pass the motion and move on, because I know that there are many people who fought long and hard for seniors. The families of seniors who are in these facilities – there are hundreds of thousands of those people – and the New Democrat opposition are going to be watching. If the government doesn't take real and meaningful action, then, that is certainly going to be an ongoing issue in this province.

Thank you, Mr. Speaker.

[Motion Other than Government Motion 507 as amended carried]

head: **Committee of Supply**

[Mr. Shariff in the chair]

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

head: **Main Estimates 2005-06**

International and Intergovernmental Relations

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

The hon. Minister of International and Intergovernmental Relations.

Mr. Stelmach: Thank you, Mr. Chairman, and good evening, everyone. I'm here tonight seeking approval of the 2005-2006 budget and the business plans for the Ministry of International and Intergovernmental Relations.

We are privileged, Mr. Chairman, in this province to have some of the finest professional, most experienced people, who work very hard on our behalf implementing the ideas and policies as directed by this Assembly. These people have also worked very hard in positioning our negotiations in health, child care, fiscal imbalance, and institutional reform. We have some of them here today in the gallery, and I would like to introduce them. They are Mr. Gerry Bourdeau, who is the deputy minister; Wayne Clifford, assistant deputy minister, international relations; Helmut Mach, Alberta trade representative; Garry Pocock, assistant deputy minister, Canadian intergovernmental relations; Lorne Harvey, who is our director of corporate services; Aniko Parnell, director, international governance office; Kathryn Wiegiers, our communications director; and, of course, my executive assistant, Mr. Ron Glen. Let's give them a warm welcome.

Mr. Chairman, this year the Ministry of International and Intergovernmental Relations is asking for a \$10 million budget, up from \$8.3 million, which was budgeted last year. The additional funding is for three purposes: intergovernmental meetings, trade negotiations, and the Alberta office in Washington, DC. Most of the increase is a one-time cost to host the Western Premiers' Conference later this week in Lloydminster and the Premiers' Council of the Federation meeting in Banff in August.

Before I get into the budget details, I'd like to briefly outline the ministry's goals and mandate. IIR's 2005-2006 business plan has three goals. The first focuses on Alberta's relations within Canada by "promoting the interests of, and securing benefits for, Alberta as an equal partner in a strengthened, united Canada." The second goal looks outside Canada to "promoting the interests of, and securing benefits for, Alberta from strengthened international relations." The third goal is "promoting the interests of, and securing benefits for, Alberta from greater trade and investment liberalization, internationally" and here at home.

Our business plan supports the larger government goals of improving the economy, increasing our international competitiveness, having a strong partnership with other orders of government, and a financially stable, open, and accountable government. In supporting these goals, IIR works closely with other ministries to negotiate important intergovernmental agreements, plan conferences and missions for the Premier and other ministers, and provide information and advice to other departments.

The upcoming Western Premiers' Conference and the Council of the Federation will deal with important national issues like federal/provincial relations, energy, agriculture, and health care. They also give us the opportunity to highlight Alberta's centennial on a national stage. Every province takes a turn hosting these meetings, and we've had ours moved up a year to coincide with our centennial. In the past Premiers met about once a year. However, since January 2003 they've met six times, leading in part to an historic national agreement on health care funding. That agreement secured \$4 billion in funding for Alberta over the next 10 years.

Alberta will attend at least two more Premiers' meetings planned for this year through the Council of the Federation and its secretariats. The premiers have developed ambitious plans to work together on health care, literacy, the environment, and disaster relief. As chair of the Council of the Federation this year Alberta will lead important discussions on a variety of national issues, including internal trade, health care, child care, climate change, and aboriginal, municipal, and fiscal issues.

We're also working more closely with our neighbour to the west to improve services and save taxpayers' dollars. For example, Alberta and B.C. will save millions of dollars in infrastructure costs, not to mention the time and money businesses will save because we'll share a truck weigh scale on the Trans-Canada highway instead of having one on each side of the border. This closer co-operation with B.C. is also leading to other efficiencies in education and children's services.

9:10

Over the next few weeks and months there will be national meetings of trade ministers, health ministers, finance ministers, and others. My ministry will be busy preparing agreements and providing support to the Premier and cabinet members who take part.

Mr. Chairman, there are fiscal realities that come with being a leader in federal/provincial relations just as there are with establishing a presence in Washington, DC. With the important Alberta office in Washington, DC, now fully staffed and operational, additional funding is required annually to operate the office.

The United States is by far Alberta's most important economic partner. Washington is where important decisions are made that affect our interests. One thing we learned through the BSE issue is that the U.S. regulatory process is extremely complex and time consuming. We're fortunate to have someone representing Alberta on the ground in Washington who can help monitor and influence U.S. policies that stop the free flow of goods from our province and who can also promote the safe and stable supply of our energy sector. Alberta's annual trade with the United States is close to \$60 billion, or almost \$18,000 for every man, woman, and child in Alberta. The cost of operating the Alberta office in Washington is about 50 cents per Albertan per year.

Alberta's U.S. presence does not take away from our commitment to other international partners as we are truly global players. For instance, Alberta is working on improving transportation links to the west coast. We're doing this so that we can increase our trading opportunities in the Asia Pacific region.

Our international twinnings with 14 states and provinces on five continents advance Alberta's relationships with key trade and investment partners, involving schools, businesses, and municipalities. To mark the 25th anniversary of our province's twinning with Hokkaido, we'll undertake a mission to Japan that includes the 18 mayors from Alberta towns and cities twinned with communities in Japan. This fall a pagoda, a gift from Ganwon, Korea, will be erected on our Legislature Grounds in honour of the 30th anniversary of Alberta's twinning with that Korean province.

Alberta continues to share its governance expertise with countries throughout the world. In China and South Africa we're working on public-sector reform. In Ukraine we're working on agricultural reform.

The ministry also requires additional funding to prepare for the upcoming Doha round of World Trade Organization negotiations. The World Trade Organization negotiations are vitally important to the economic health of Alberta, especially our agricultural community. There will be a critical WTO ministerial meeting in Hong

Kong in December, and I plan to attend as part of the Canadian delegation.

The softwood lumber dispute also continues to require our full attention. As you may know, discussions have resumed with the United States to try and resolve this dispute. We're working hand in hand with Alberta's forest industry to find a long-term, durable solution that will provide free access to the United States market for Alberta's softwood lumber producers. The softwood lumber industry is the second-largest manufacturing export sector of Alberta's economy. It supports 69,000 well-paying technical jobs. They are the mainstay of Alberta's rural communities as well as important parts of the economic makeup of the Calgary and Edmonton regions.

Our trade experts also continue to work through the Council of the Federation to reach an agreement so that provinces and territories have a role in international negotiations, agreements, and forums. We've certainly seen what's happened with the Kyoto accord, where the federal government signed an international agreement affecting areas of provincial responsibility without bothering to include provinces in the negotiations.

Our trade area will build upon and enhance the benefits of the agreement on internal trade to promote the free flow of goods, services, capital, and labour within Canada. Freer trade within Canada brings many benefits to Alberta. Alberta companies will be able to bid on government contracts anywhere in Canada. Licensed professionals will be able to move freely between provinces, and we could eliminate provincial or regional favouritism by the federal government in procurement decisions, for example.

While these are some of the highlights of IIR's major initiatives and our funding requirements, there are, of course, many other issues being dealt with and projects under way to meet Alberta's national, international, and trade priorities.

In conclusion, IIR faces a busy year ahead as our province hosts intergovernmental meetings and becomes chair of the Council of the Federation. We're working to strengthen Alberta's international relations, especially with our most important trading partner, the United States. We'll continue to protect Alberta's interests through trade negotiations and in the softwood lumber dispute along with continuing support to Alberta Agriculture on the BSE file.

I respectfully ask that you approve the Ministry of International and Intergovernmental Relations 2005-06 budget and business plan. I'm certainly happy to answer any questions or take any comments from members of this Assembly. Thank you, Mr. Chair.

The Deputy Chair: The hon. Member for Lethbridge-East.

Ms Pastoor: Thank you, Mr. Chair. I will try to be brief and just ask the questions without a whole bunch of preamble around them because I know that there are others that want to ask questions, and often the time has run out at these what I think are particularly important discussions.

One of the first things I'd like to ask is about the Canadian intergovernmental relations. On page 344 of the business plan you're promoting "solutions to redesign federal/provincial financial arrangements including the Canada Health Transfer, the Canada Social Transfer, Equalization and cost-sharing arrangements." How specifically does the department propose to redesign the Canada health transfer, and how would this department redesign the federal equalization program?

I was going to ask questions on the Alberta office in Washington, DC, but I have already asked for some of that information in writing, and I assume that it will be here before the appropriation time.

The international trips. What internal reviews are conducted on

international trips to determine the efficacy, and what was achieved on the trips that have been taken? If there are no such reviews, how does the minister know that these trips are successful and whether the taxpayers' money is being spent appropriately?

Exporting water. Who is the department consulting on this issue? What work has the department done in examining the issue of water export, and have any policy options been developed? What research is being conducted on either future exporting or, in fact, present exporting?

The BSE. Can the minister provide us an update on the BSE situation, and how has this ministry helped in opening the U.S. border to Canadian beef, and when does the minister expect the border to open? I know that those are sort of almost redundant questions, but I think that they merit being put on the record. What contingency plans are in place if the U.S. border does not open? I would suspect that that would be partly financed in terms of helping the co-operative producers actually create value-added products.

Page 266 of the financial estimates. The overall spending on international and intergovernmental relations has increased, as you've mentioned, not perhaps in these exact forms, but they've increased by 20 per cent this year, approximately \$1.7 million, from roughly \$8 million last year to \$10 million this year. Can the minister explain how the 20 per cent budget increase would increase Alberta's international or intergovernmental presence, preferably I think discussing it from the international perspective? Why was there such a jump in spending, which I assume would follow on to the discussion of the international dollars spent?

Page 267 of the estimates. The spending on Canadian intergovernmental relations has increased from \$2.546 million in 2004-05 to \$3.356 million in '05-06. It's an increase of 32 per cent, or \$810,000. Last year the department spending was only by 60 per cent. Can the minister explain why the item Canadian intergovernmental relations has received large increases two years in a row, and could you provide a breakdown on that particular budget item?

9:20

Another thing that I would like discussed, particularly from this ministry, would be the electricity exports to the U.S. What work has the department done on examining the issue of electricity exports? What discussions on exporting electricity to the United States has the minister been involved in, and what were the outcomes of these discussions? Who is the department consulting on this issue, either Canadian or American? What policy options have been developed by the ministry or in conjunction with this ministry, and what research is being conducted as we speak?

NorthernLights Transmission, an arm of TransCanda Corp, is proposing to build multibillion dollar transmission lines from Fort McMurray to southern California, as was reported in the *Edmonton Journal* today. What does the minister know about this project, and what discussions on NorthernLights Transmission's proposed export power lines has the minister been involved in?

I thank you, Mr. Chair. I have no idea if he had a chance to keep track of all of those, but if he would prefer to give some of the answers to me in writing, I would take that because I know other people want to speak. Thank you.

The Deputy Chair: The hon. minister.

Mr. Stelmach: Thank you, Mr. Chair. We'll follow up with detailed responses to your questions. I'm going to try and catch up with as many as I can. I'll probably miss some, but we'll check *Hansard* and then get back to you in detail.

Just generally speaking, I haven't had any meetings about electricity. I haven't been involved in any personally as a minister, and if there have been with the Minister of Energy, we'll be able to report on that. Our role, basically, is that if there are any agreements made between provinces or between, let's say, the province of Alberta and Canada and the United States, then we would be reviewing those agreements as a department, but we don't really enter into any agreements ourselves other than some of the ones that we would be reviewing for health or child care or fiscal imbalance. Our department doesn't meet directly with, let's say, energy providers in the States and negotiate those agreements.

I think you asked a question on water and what agreements we have in place. Water is outside NAFTA, so other than selling bottled water to the States, there's no provision to sell water, you know, channel a river or whatever into the States and charge them for the water, although I know that this issue comes up once in a while, kind of like a scare tactic: "Oh, the Americans want our water and Alberta is going to sell water," et cetera. Quite frankly, in your area of the province we don't have any water to license with the activity that's happening there in terms of food processing, agriculture, and other industry. I believe that most of the water available in the South Saskatchewan has been allocated. So, really, with respect to water there are no agreements being negotiated because it's just not something that we're selling or going to be selling to anyone.

With respect to the budget increase it is a 17 per cent increase, and it covers the two main meetings: the Council of the Federation and also the Western Premiers' Conference that will be held this week in Lloydminster. There are also additional dollars for the Doha round of negotiations with the WTO. It's the Doha round of the World Trade Organization meetings that will be held in Korea. I believe for that we've allocated about \$150,000.

We will be sending representatives there because we want to be part of the action to make sure that the provinces are involved in the decisions that will be made. The reason being, to give you a little bit of an idea of the difference across Canada especially when it comes to agriculture, I believe that in Quebec and Ontario more than 50 per cent of their farm cash gate receipts are from the protected industries, feather and milk, and in Alberta – I'd have to consult with the minister – I think they're probably around 5 to 6 per cent. I would think that there might be different interests expressed by those provinces in advancing some position at the World Trade talks, so we want to make sure that we're there in the room with the federal government and the other provinces to make sure that the feds don't sign something off that leaves us vulnerable just in that one area of agriculture. That is why it's so important that we do have representation there.

On BSE. This is perhaps an issue that's the most sensitive because, without a doubt, at the moment the opening of the border is really tied up in the courts. Of course, with the one court case in Montana a judge refused to listen to evidence from parties other than R-CALF and reached a tentative decision. That is being appealed in the court in California, the ninth circuit court. We will of course be working very closely with our trade representative on that particular file.

There are two tracks here. There's the legislative track, which is the President and the U.S. Department of Agriculture. The President has indicated that he would veto any move by the two Houses if they were to move to keep the border closed because he sees the long-term need of a fully integrated North American beef market. That's the legislative component.

This is a legal track, and it more than likely will take a while longer to get through all the appeals, and this is what can happen in the United States. Here in Canada it's a little different, but in the

United States they could appeal it to the court, and as a result this would probably tie it up for another eight to 12 months, and sometimes it could be more. You know, it's hard to predict. We're certainly not going to be very optimistic and say: well, you know, it'll be settled in a few months. Appeal decisions do take time and depend on when the courts will hear all of the evidence and how much time they take to make a decision once the evidence is heard.

International trips. This year the Premier will be doing some, and of course he will be very busy at home as a result of the two meetings. We do have the hosting of Japanese visitors celebrating the 25th anniversary of the twinning with Hokkaido, and we are planning a small mission to Japan to reciprocate those that are going to be travelling to Alberta in celebration of the anniversary.

We measure performance in a number of ways. Before, we would poll different people and say: well, are we doing a good job or not doing a good job? By doing that, we pretty well followed the total performance and their support in the province by the public. We have worked with the Auditor General and have come up with a different system of evaluating performance of the department. This would be pretty well a summary document of all of our activities, and of course we would share this with Albertans.

9:30

The other is that there are some changes in that two months following any trip we would be posting on the web the full expenses of that particular mission. If you were to go to the web now, you would see the costs of, let's say, my visit to Washington prior to the office being opened in March.

I hope I've covered some of them, but I'll check my notes and catch up with the rest.

Ms Pastoor: If I might, just a couple of clarifications. I'd like to know more about the court cases in the U.S. and California. I don't think that we should send a whole herd of people, but I'm wondering if, in fact, there would be at least one lawyer and, I don't know, maybe you yourself as the minister, someone who's trained in U.S. law as well as Canadian law who would actually sit through those hearings, if you have that in mind.

As far as the performance measurement goes, I would suspect that the outcome would be a far better benchmark to look for than something about what the party has sort of – from a total business point of view, to pick out an outcome, a Carver method or one of those easily defined ways of looking at if you've been successful or not and to evaluate it, and chuck it if it hasn't.

Mr. Stelmach: I want to clarify: that's what we used to do before. We don't do that anymore. We have client survey questionnaires as opposed to just doing a poll and trying to feel what Albertans or business, et cetera, felt about the effectiveness and efficiency of the work we do in the department. We now do client surveys every two years, and those are a much better measurement of the performance of the department generally as opposed to what we did in the past. I'm sorry because I maybe wasn't clear on what we did in the past and what we do now.

It is the Doha round. It's not in Korea, but it is the Doha round of the world trade talks. So maybe I said – it is the Doha round, but it'll be held in Korea.

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

Mr. Eggen: Thank you, Mr. Chairman. I rise to speak to this budget with some interest. I certainly don't question the need for the existence of International and Intergovernmental Relations. I think

that it sometimes is a thorny issue in general between what is a federal jurisdiction in this area and what the province can be delving into. In general, considering the importance of export trade and import trade to our overall economy and the future of our economy, I certainly see the existence of this department to be very useful although there are some specific concerns that we have.

I think the most difficult area for this department is the question of accountability. I'm also sitting on the Public Accounts Committee, and the most important measuring stick for the success of any given department or any given venture is to have clearly defined goals and then measuring those goals against the money that is expended and then coming to some conclusion about that.

You know, in the intergovernmental affairs bureau I do have some difficulties that I would like to point out here this evening. I'll ask a group of questions, if I may, and the hon. minister can you know answer as he sees fit or in writing as well.

The first one I have is, perhaps, more a structural question. I'm wondering to what degree these two ministries are merged now and if it's not possible to completely combine the two together. I'm looking for efficiencies – I guess we have a ministry for that as well – perhaps to more completely merge these two ministries together. I would be curious to know to what degree this has gone on and if there is a plan in the future to in fact bring the two together entirely.

The intergovernmental relations budget, according to what I can see here, is up by 32 per cent. Again, in terms of indicators and rationale, what's the idea behind that? What indicators could we watch for that would suggest that this increase is successful?

Again, this is a structural kind of issue. I am curious for the hon. minister to differentiate in specific terms between international and governmental affairs and economic development. I really do see the mission statements of both of these ministries to be very close, so I'm looking, again, for efficiencies or, I guess, clarification in regard to differentiation. I'm not suggesting that perhaps we could have another merger, but I just need and I think the public as well could use greater clarification in that regard.

This ministry seems to have been responsible for the Senator-in-waiting part of our vote in November. According to the website, this exercise cost \$3 million, approximately, from the whole budget. Now, I want to know if that is \$3 million tagged onto the existing structure of the vote. Or were you including using the established vote, which is already in place, and then factoring in the cost of that to the overall cost of conducting this poll?

Of course, our question is whether this was a good value or not. Did Albertans tell the government that this is something that they in fact wanted? Our suspicion, I think, is that there are certain interests that are seeking Senate reform through an elected Senate. While this is an interesting possibility, I'm wondering if all avenues were explored. Or is this just, you know, a horn that likes to be blown? Does it represent the interests of the majority of Albertans? There are different approaches to Senate reform, and this is just one of them.

Unfortunately, the voter turnout for the last provincial election was perhaps the lowest or amongst the lowest in Alberta's history. My understanding is that there were 20 per cent of spoiled ballots or declined ballots on the Senate part of this election, so I guess that I would like to see clarification on that. Does that mean that only 35 per cent of Albertans did in fact cast their vote for the Senate election ballot? If so, you know, I think that we do spend a lot of money here in this Legislature, but I'm really questioning the value of this overall process.

I think that there were some Senate appointments recently, and I don't know if any of the people who were elected actually were chosen. I don't know what sort of progress we've made in regard to

Senate reform. Certainly, I'm interested in Senate reform too, but I don't see if we've made any sort of advancement to the cause here with this \$3 million election, which had very poor participation rates.

9:40

Now, again, going back to performance measurements in the ministry, I just would really like to see a more clearly defined set of performance measurements built into this ministry. I have, say, for example the Alberta Washington office performance measurements available to me here. You know, they just didn't seem to be very specific, and they just didn't seem to have a lot of information. That's one that I'd like to just make a quick comment on.

I guess, just to close off, there is the question of the Washington, DC, office, which is under this department's management. You know, the numbers have been very, very public, and there's been a lot of controversy surrounding this office, which I believe is located in the Canadian high commission embassy in Washington. I'm just wondering if, say, the salary for the main person there, Murray Smith – I understand that it's \$223,000 a year as a base salary – is a prudent amount to be spending on this. Where was the salary brought forward from? Is it in keeping with the performance that we should expect from this office? I think a lot of Albertans find it to be too much – right? – exorbitant somehow. So I'm wondering how this figure was arrived at. What specific performance measures do we have in place to see that we are getting value for our money with this office?

Just briefly, in closing, as I said before, I certainly see the value of reaching out with this ministry, and I think that we need to – well, I won't say expand, you know, necessarily in a dollar value, but I think that as this ministry evolves, I'd like to see more focus on performance measurements and an ability to see where we can focus our efforts so that Alberta might have a good export/import profile across this country and across North America and around the world.

Thank you.

The Deputy Chair: The hon. minister, followed by the hon. Member for Calgary-Varsity.

Mr. Stelmach: Thank you, Mr. Chair. With respect to merging the two departments, our work is considerably different from Economic Development's. I guess the best way to describe the department would be one of a diplomatic role, not only amongst the governments, provincial and federal, in Canada but with the American government and also American states and other governments around the world. There is no question that we are unique in Canada as a province. We're unique in that we were the first province, dating back to 1971, that had an international relations component to this government. I think the division at that time was in order to position ourselves economically in Canada and on the world stage. We had to do a lot of our own body contact with people around the world.

Economic Development, I would think, is more looking at how to create the environment, whether through regulations or some other manner in terms of growing more wealth in the province. Ours is to ensure that we negotiate some of these trade barriers that we're facing, and in fact we're probably moving on trade barriers more with our neighbours to the south than we are with our neighbours to the east. We have accomplished a lot with our neighbours to the west; there's no doubt about it. I think we've moved more in the last three years with that government than with, well, I'd hate to say how many governments previous to that. So that is good news. The good news is that we're going to improve our competitiveness, and we're going to get our product to market. So we are certainly focused on

wealth creation, not on wealth distribution. That is the major component.

We also provide the support for the Premier in his missions and also in evaluating positions taken by other provinces and other governments.

So that's in capsule our role.

Now, I will go through the one-time increases for the department. Again, they're tied to the Western Premiers' Conference in Lloydminster – and that's \$215,000, one-time – and staging the Council of the Federation. That's \$695,000. So those two are one-time expenses. The Council of the Federation will be meeting in Banff in August.

Now, to fully operate the international office in Washington is \$380,000. Again, the participation in the WTO is \$150,000. To meet the salary expenses expected from the bargaining unit is probably about \$110,000. With respect to that budget, that kind of gives you a bit of an idea of where the major expenses are.

[Mr. Webber in the chair]

Before I talk about institutional reform, Senate reform, I'd just like to talk about the office in Washington. I don't know if the hon. member has visited Washington, DC, but actually it's worth while taking the trip just from a perspective of seeing this sea of lobbyists, hundreds of thousands of people that are there for one reason only, and that's to get their message out. To give you an example of how far behind we are in getting the message out, there are some still in Washington and, actually, in a state that does a fair amount of business with us, Colorado, who when they were invited to Fort McMurray and they accepted the invitation – they were there a month ago – thought that in Fort McMurray they'd still see dirt streets and wooden sidewalks. So that is a bit of the scope of the task ahead of us in terms of getting the information there.

Controversy. I don't think there was any controversy. The salary is based on senior official level. It is \$233,000. There's an additional allowance of \$30,000, and that goes to any official that lives outside of Alberta, outside of Canada, and that's to make up the difference in the dollar exchange and some of the differences in the cost of living as a result of them being in a different country.

Now, this is the only office, Washington, that's in our department, and simply because it is one of more of a diplomatic role, we are in the embassy. We're the only province to be there. It took a fair amount of work to negotiate that, but I think that it's going to do yeoman's service not only in getting the message out in terms of secure supply of oil and gas but to keep a thumb on what's happening on BSE, softwood lumber. Those are very, very complex issues.

I know the question came up of whether we'll be attending the court. There's no sense sending politicians to court. We have to send lawyers, and that's what we'll be doing with agriculture. We do have a very good trade lawyer in Washington on retention, and she's been with us for many, many years.

How do you measure performance of an office like that? I suppose that if tomorrow we could settle the BSE and find an overnight agreement on softwood lumber, well, we would then not have to do much more in that office for the rest of its existence because just in softwood lumber I think we've got – what? – \$4.3 billion tied up in tariffs on that side of the border that are being held by the government there, and of course the BSE has been devastating to us.

9:50

Just one more point on BSE and why this Washington office is important. The province of Alberta worked very hard on getting

boxed beef, muscle cuts into the States. Quite frankly, we got it there quite quickly, even though the federal government signed this agreement, a protocol dealing with BSE, back in the late '90s. The only reason we got there that quickly, Mr. Chair, is the relationship that dates back to the late '80s with the chief negotiator and the Agriculture secretary in the States, who worked at negotiating some of the agricultural NAFTA agreement with the Deputy Prime Minister of Canada at that time, Don Mazankowski. What had happened is that his assistant was a lady by the name of Ann Veneman, that worked for Clayton Yeutter, who then went to California as the Secretary of Agriculture and then came back under George Bush. Those are the relationships that, quite frankly, we built almost 20 years ago that proved to be advantageous to us.

Mr. Horner: Were you here then?

Mr. Stelmach: No, I wasn't there. But that's just an example of how important building working relationships is.

I want to just talk briefly about Senators-in-waiting. I don't want to sound disrespectful to the other side, not you guys but over there, but when we talk about good value in democracy, in the November election the total votes cast for the NDP were 87,580. The total votes cast for the Senate nominee elections were about 2.2 million. If we break that down further, the hon. member who just asked the questions got a total of 4,067 votes. The total for four elected was 22,843. The one Senator who got the most votes, just the one, received 312,000 votes. So 90,000 across the province; the one Senator received 312,000. I think we got good value.

I know that this is one file that takes a lot of patience in terms of institutional reform, but I submit to the hon. member and to all in this House that this issue is going to be even more pressing as we enter into a period of uncertainty in this country with what's happening in Ottawa, and we're going to have to keep eyes fixed on this one area very closely. We're not only talking about Senate reform, hon. member. We're also looking at institutional reform, working with other provinces to see how we could maybe make changes to the selection of judges to the Supreme Court. Senate reform is just one area, but I think that at the end of the day Alberta wants to have their voice heard. Given the growth in the province of Alberta, the amount that we contribute to this country, that is going to be an issue. There will be some finger-pointing, I suspect, at Alberta as we, of course, grow our wealth and, quite frankly, share a lot of it with other provinces in Canada.

The Acting Chair: The hon. Member for Calgary-Varsity, my MLA.

Mr. Chase: Thank you very much. I'd like to thank my constituent for recognizing me.

To begin with, I'd like to thank the minister for following in the footsteps of his predecessors in answering questions. It's very much appreciated. This, for those who care, to me is the most democratic part of our whole organization. I have seen from previous ministers as well a very honest attempt at providing the answers that not only the opposition but, obviously, Albertans are asking, and I do appreciate it.

I'd also like to put in a word of thanks to the hon. Environment minister, who was down in Calgary along with the Premier and the former Minister of Environment at the icebreaker on the Bow. It was thanks to the current Minister of Environment that myself and the hon. Member for Calgary-Mountain View were recognized at that event. Again, it's just one more of those small protocol things that sees us playing on the same team.

I'd also like to thank Alberta ambassador Murray Smith for leaving the Calgary-Varsity constituency door keys under the welcome mat before leaving for Washington. It was nice to find them there and to find the office in order, although I will add that I replaced his oil rigger 1970 furniture, complete with the outstanding orange, brown, and yellow filing cabinets. They've now gone to the Boot Hill of retired furniture, so we're starting afresh with a new office and a new professional look, and I thank the Legislative Assembly office for making those arrangements.

What has been discussed quite a bit tonight – and I appreciate the minister's answers. I'm not sure that he'll be able to add a whole lot to this concern. The Washington office represents almost a fifth of this department's budget, and we do need a justification of that expense. My concern is that it's potentially a duplication of federal services. I have been to Washington on two occasions. My father-in-law worked in the Canadian embassy in Washington, so I had two occasions to visit Washington first-hand and see the flurry of activity there. My concern, as the minister pointed out, with so many lobbyists is: how effective is our voice? Are we being heard in Washington?

[Mr. Shariff in the chair]

Of course, there are four concerns that I think need to be raised in Washington, not only in Washington but in closer states, and that's, of course, the softwood lumber, that has been previously mentioned. With regard to BSE, to me that is partly an issue of our creating in that we had the misfortune of having an animal test positive. It also has more to do with science than economics, but I think that what we need to do to assure not only our U.S. trading partner but the world is to have 100 per cent BSE testing.

The reason for this comes after the reverse, to get beyond the Premier's unfortunate comments of shoot, shovel, and shut up. We need to build up the confidence of countries based on that unfortunate statement. We need to assure countries that our testing is equivalent to that of Japan and, therefore, considerably more efficient than that of the States, which tests a very small percentage of its beef. We have a chance to be the number one beef exporting province within the world, never mind within Canada. We should be trying to steal a larger portion of the market, as far as I'm concerned, from our southern neighbours.

The second point I'd like to make – and it sounds a bit like a joke. But speaking of foreign relations, do we have an Alberta office in Ottawa? By that, I don't mean a place for a Senators-in-waiting Canadian reunion tour to hang out, but I'm just wondering what kind of representation Alberta has in Ottawa. It seems that the Premier sometimes flies in and flies out, and I think he has more of an attraction for Hull, Quebec, on the other side of the river, than he does for spending time in Ottawa.

10:00

A recommendation – and I would very much welcome the minister's comments – is on foreign locations. Instead of FOIP travel junkets disguised as trade commissions, what I would like to see is the same kind of established office in China and Japan, for that matter. Well, China obviously is the growing nation in terms of economy. It's a powerhouse. For that matter, based on population, it would probably be a good idea to have a trade mission in India as well. But with offices in China and Japan it wouldn't be that far in terms of travelling to the other countries, until we at least had similar trade offices set up. I would welcome the minister's comments on: does he think that it's viable to have a trade office in other countries like China, Japan, and, potentially, India?

Although there was a degree of joking about the office in Ottawa, I would appreciate a response. It would be nice to have someone on the ground there on a regular basis who was doing the rounds. Washington is a main lobbying centre, but so is Ottawa in its own smaller fashion. So are our Alberta interests being constantly represented in Ottawa?

Thank you.

The Deputy Chair: The hon. minister.

Mr. Stelmach: Thank you. Let me start from the bottom, working up. In terms of offices there are offices in other countries, and they're under Economic Development because they're more trade offices as opposed to diplomatic offices. However, in Japan we do have space in the Canadian embassy. We've had a person there for many, many years.

In China we're in the World Petroleum Congress offices. We established that a few years ago, I remember, and we are, I believe, in another six locations, but I can't recall them offhand. We do have a small office in England, and I know that we're in other parts of Southeast Asia. But we'll get that for you.

Ottawa. You know, I ought to be careful when I think about an office in Ottawa, what I'd like to say and what I should say diplomatically. We do travel to Ottawa on a regular basis. The deputies meet, of course, supporting the Council of the Federation. We are looking at expanding the Council of the Federation and having an office that would be reporting to the Council of the Federation. We're just working out those details in terms of administrative support, who the individual may be, and where that office will be located. So there is work being done on that.

The cost of the Council of the Federation is over a million dollars across the country. Our share is about \$115,000, I believe. So those costs might increase if we have an office there. I would think that we'd probably share it with the Council of the Federation; it wouldn't be an Alberta office only. But that is in the works.

With respect to Washington and duplication of services, having been there and having been at a number of American states over the years, especially as I had the pleasure of serving this province as minister of agriculture, there's no question that in some areas, when it comes to marketing, Alberta and Ottawa just couldn't be farther apart. In fact, when we were in Washington in February, at the two meetings that we had we had the note taker for the federal government interrupt our discussions to remind the Senator at that time: well, you know, Canadians are supporting the Canadian Wheat Board. When we did take a vote in this province, there were 67 per cent in favour of a dual marketing system, or choice. That is the kind of difference when you say duplication. It's what Ottawa thinks Alberta wants. It's got nothing to do with what Alberta really wants. That was just the one meeting where we attended with the minister of agriculture.

We had the same issue when we met with energy officials. Clearly, in December of 1929 we wrestled from the federal government ownership of natural resources. So if somebody wants to talk about building a pipeline for Fort McMurray, they have to talk to Albertans, to this government. They don't talk to the federal government because they're our resources. We will make that decision. So they can enter into all kinds of MOUs and make all kinds of advances to other governments, but at the end of the day Albertans will decide, not the federal government.

That's why it's important that we have our person there. It's really to complement the work. It's not to work against the ambassador or against the embassy there, but it's to complement the work. Quite frankly, there have been some instances where the kind of

intelligence we gathered was better as a result of sharing information, what our envoy and our ambassador managed to receive through meetings. I think the new ambassador is doing quite well. There's a good working relationship, and I hope that that continues. At the end of the day I know that both of them will work for the better interests of Canada and Alberta.

You know, even to be the only provincial jurisdiction to be invited by the Smithsonian Institution to develop a show – trade, culture, arts, culinary – an exhibit in the Washington Mall, it means that we are getting our word out. They know where we are. They have a working relationship now with the University of Alberta. Those are all, you know, tiny steps certainly, and it will take a few years to position ourselves and to communicate to the Washington decision-makers about Alberta's potential. It's not only in the energy and the secure supply of oil and gas, but it's agriculture, our technology that we have to offer, many of the research projects that we're doing here related to energy as well.

With respect to beef one of the reasons we're there and sending boxed beef is because we were the first province in Canada to introduce trace back. Prior to the late '90s we didn't have any way of tracing an animal back to its origin. We began that in 1997-98. We made it mandatory, and that in itself has built more confidence in the products that we have to offer, our beef products here in Alberta. It's one of the reasons why very quickly we were able to trace the background on all of the animals that happened to be tested coming from the same herd that this one cow came from. If it wasn't for the trace back, we probably wouldn't have been able to accomplish that in such a short period of time.

Testing and trying to win the market in Japan – there are some pretty startling figures in terms of trade in bovine products and beef with the United States and also Japan. I'm not quite sure if that country could ever replace the States with the volume of beef that we send there in the future. The other thing is that we have to remember that once the animal is processed here, the product is put in a truck, and it's shipped by truck, and it's in the States. To go to another country, it'll be truck, rail, marine. We need the port capacity, and all those additional costs will eventually end up being paid by the producer unfortunately. I mean, we're not going to discount any market. They're all important.

From a scientific point of view, in terms of testing all animals, 30 months of age doesn't make any sense. However, I'll leave that to the ag minister. He'll be doing his budget tomorrow, and you can ask him about the science of that.

I think I've covered pretty well everything. Thanks.

The Deputy Chair: At this stage I'll just remind members that if there is any government member who wishes to participate, I will recognize that member.

The hon. Member for Calgary-Varsity.

10:10

Mr. Chase: Thank you. Just two more questions. I guess it was almost a month and a half ago that representatives from PNWER were here and we met up on the fifth floor, and one of the comments that I made to a representative from Washington was: did he believe that we were being an equal partner or a sufficiently concerned partner in the market manipulation that EPCOR undertook? The sense that I got was that there was a greater role for us in working with PNWER in terms of going after the manipulation.

It appeared that Alberta was being used as sort of a testing ground to see what, potentially, Enron could get away with. I'm just wondering: does our connection with Washington give us greater access to the information that might lead us to discover to what

extent Enron either did or didn't or potentially manipulated our market?

Secondly, given the Washington office, have we worked towards border monitoring in terms of a smoother trade transport crossing at the border? Ever since 9/11 there is a great fear in the States about infiltration from Canada. I'm just wondering if we've been able to establish our Alberta security border crossing validity. I know, again, that this sort of overlaps with the federal government, but it would be nice if our direct relationship with Washington could produce almost a passport where we could have a smoother trade, where the trucks and trains, and so on, crossing would receive less – well, I don't know – regulation, or sometimes it's bureaucracy.

Then the other area that I alluded to just very briefly was the idea of not only having representation in Washington, but something that the hon. Member for Edmonton-Calder brought up was the need – when court decisions are taking place in the States such as the Montana judge and the closing of the border, I really believe we should have, if not intervenor status, at least observer status so that we know what's happening and we don't rely on transcripts or media for our direct information.

So, again, power market manipulation, PNWER: are we holding up our end? Secondly, the border monitoring; thirdly, representation at other state levels besides Washington.

Mr. Stelmach: With respect to PNWER I just want to make this one particular comment, and that's that we're kind of sorry to hear that none of the members from across the way will be participating in the PNWER meeting this coming year. We've always had representation from the opposition. I think it's a worthwhile opportunity for all members of this House, those that have been assigned that responsibility in PNWER, to rub shoulders with our colleagues south of the border. I hope that perhaps the opposition may change their mind and send some representation.

PNWER has been a success. It has opened heart-to-heart, face-to-face discussions on many issues. One of them certainly has been trucking. We have accomplished some movement in regulations, although we have to move a lot of that through the federal government. We've expanded capacity for trucking inspection, new technology. I believe that on the American side it's reciprocal. They understand the need for efficiency and the free flow of goods.

The one issue we still have, though, is that some of these trucking regulations are actually trade barriers. So if you reduce the size of the load – if you license 60,000 pounds and you only allow 40,000, that's a 20,000-pound payload less. That increases the cost of the 40,000 pounds of product going there. It's an interesting point if you look at even states like California. It's a bit of trade protectionism on their part in terms of when it comes to transportation, but we're slowly, slowly nibbling away at the regulations, and I think that we're getting there. I think a lot of the American states are now aware of how big their market is here in Alberta, especially California. If we could work together, we will bring down the consumer prices for those products because right now, at the end of the day, it's the consumer that's paying the cost.

With respect to manipulation of energy markets, I have no idea at all. We'll leave that to Energy to respond to.

The court in Montana. The judge only allowed evidence from one group, and that was R-CALF, and did not allow any evidence from the American Meat Institute nor from the United States Department of Agriculture. So even if we had had someone in the room trying to present, it would have been unsuccessful. In fact, I believe they cut the hearing time from four hours down to two. Unfortunately, the way the decision was written, it almost smacked that it was predetermined before all the evidence was heard. That's, like I said

before, a real complex issue, but we do have our expert people in the field of trade law, and we'll be following it up very closely. We will be doing it as well in partnership with the United States Department of Agriculture.

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

Mr. Bonko: Thank you, Mr. Chairman. Whatever I didn't ask, the Member for Calgary-Varsity may want to try and ask as well.

The minister spoke about client performance, and I've got some questions about that, about the department's success. Who are the clients that he referred to, and how far are they removed from the money with regard to his department?

The other one would be specific programs on initiatives by the Washington office. How do they evaluate these outcomes as to the outlined business plans within the ministry's portfolio as well?

We look at the overall budget. It's \$10.1 million in operating expenses, equipment, and inventories. This is up 18 per cent, but the overall increase is 32 per cent due to budget for Canadian and intergovernmental relations. But one might just ask: in the name of efficiencies could this whole department not be combined with one of the other ministries and that way effectively having one less ministry to worry about, in fact under RAGE or whatever? I'm sure that, again, \$10.1 million isn't a large budget with regard to some of the other ones that are into the hundreds of millions. Would it not be better utilized under one department, using some of the people that are already there instead of creating a new department and, in fact, hiring staff and that? That would be some of the big specifics. Again, would the department not be better served, or could the people still receive the same outcomes and measurements under a combining of this department then?

Thank you, Mr. Chairman.

Mr. Stelmach: I thought I answered the question in terms of combining the two earlier, but I'll attempt again for the hon. member. This department is more related to diplomacy than economic development. Economic Development has certainly its own policies in terms of looking at creating the environment and working with the private sector to bring about the kind of economic environment that will grow our wealth.

Our role here is completely different. It's more of a diplomatic role. We work with other provinces, trying to negotiate things like trade barriers. We work with the federal government in our agreements, whether it be fiscal imbalance equalization with the United States. Remember, working with the American government is quite unique for Alberta. Generally, the federal government would negotiate on our behalf, but in this particular area, where of the 25 most important markets 21 of them are American states and where 90 per cent of our exports go to the States, we have to have a presence there. There's no doubt about it.

10:20

We can't rely on Ottawa – and I say that with all due respect to them – to get the message out in terms of what is the most important card right now, and that's now energy. Yes, there is BSE and softwood lumber. Those are very important, and we're working on those files. But it's more negotiating and diplomacy as opposed to economic development, where you would be pretty well selling the province more from an economic development point of view.

When we say that we have the same people in other departments, no, we don't. The staff in IIR are very professional. They're very knowledgeable in very key specific areas, for instance trade, which is very complex. I can assure you that we won't have anyone in

other departments as knowledgeable and dedicated to one area, for instance trade or even intergovernmental relations, whether it comes to Senate reform, fiscal imbalance, or equalization. There are maybe half a dozen people in Canada that understand the equalization formula, and I'm sure that we have at least one person in our department. So these are areas which are quite complex.

The other is that we provide support for the Premier. It's not only international missions, but to provide support in terms of the kind of briefings that come forward with many issues on a regular basis. We provided a tremendous amount of support in the last round of negotiations, where all the provincial ministers met and negotiated the health deal. We had people assisting the Premier and the minister of health at that particular time in terms of their expertise and background.

So the departments are considerably different. To marry it with economic development: I'm not quite sure if we would get the same effect, I would think, because this is intergovernmental and international. It's free-standing more from a diplomatic point of view.

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

Mr. Chase: Thank you. I'm quite sure this will be my last question. With regard to the R-CALF and the Montana protectionism, President Bush said that he'd veto any attempts to prolong the border closure. How has our Washington office – could you potentially give us a little background on initiatives – worked with the American federal government and bordering states to speed up this border opening process? If you or the agriculture minister could comment on the behind-the-scenes initiatives that are trying to get that border open speedier.

The Deputy Chair: The hon. minister.

Mr. Stelmach: It's actually a good question. With respect to working on this very complex issue, our Washington office works very closely and monitors all the information flow in Washington when it comes to the BSE file. As I said before, there are two tracks. There's the legislative track, and that's the United States Department of Agriculture, who wants the border open. They put in effect the rules, and those rules are supported by the President, who has indicated that he would veto the two Houses if they voted against the opening.

The other track is the legal one. It's the American way that they can challenge the rules in court. Unfortunately – and I don't think I'm saying anything out of turn here – there wasn't a total presentation of the evidence at that court. It was only from R-CALF, and it really wasn't a decision made. I think the first round of the appeal will be as to whether the judge has jurisdiction. If the judge has jurisdiction, then I assume that this court will start again and might hear more evidence, I would hope, you know, to balance in making a good decision. But on a regular basis, through the contacts that our envoy has, our trade lawyer and the support staff there work very closely together monitoring the information flow not only amongst the departments but also on how the various groups are preparing their evidence and their position in court.

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

Mr. R. Miller: Thank you very much, Mr. Chairman. One really quick question for the minister. I note that his staff is going up by a modest amount of three. I'm not sure. I've been out of the Assembly a couple of times tonight. You may have mentioned that, but it is about five per cent, and I'm just wondering if you can tell us where those three FTEs are going?

Then, on a little broader note, page 343 of the business plan indicates that you plan to follow up on the report of the MLA Committee on Strengthening Alberta's Role in Confederation. That, of course, is a report that's relatively close to my heart because it was written by the former Member for Edmonton-Rutherford, and it was something that I did pay a certain amount of attention to last fall leading up to the November 22 election.

I'm wondering if the minister can tell us what specific ways the department plans to follow up on the committee's report and whether or not they've taken any steps to address the issue of support in Alberta for separation and what work the ministry has done or is doing in examining issues surrounding the firewall concept, particularly, I suppose, whether or not we're looking at or continuing to look at the ideas of an Alberta pension plan or a provincial police force as examples and whether or not we've made any conclusions in that regard as of yet and if you have any documents or reports that you would be willing to share with us on those two points in particular, i.e., the pension plan and the provincial police force.

Also on page 344 of the business plan – and I know that a little bit was discussed about the Canada health transfer, but you also refer in there to the department promoting “solutions to redesign federal/provincial financial arrangements.” Outside of the Canada health transfer there's also the Canada social transfer and equalization and cost-sharing arrangements. I'm wondering if you can tell us if the department has any particular plans to redesign in particular the Canada social transfer and the equalization transfers.

So those would be the questions tonight, Mr. Minister, and I'd be happy to hear your response. Thank you.

Mr. Stelmach: I was just hunting in my notes here for the FTE breakdown, but I'll go by memory. We provide support and corporate services to aboriginal affairs, and we have added I believe two additional people. I'll get that to you in writing. My memory has slipped this evening. I've got it in a book, and we'll get that to you.

With respect to our role in Confederation the Solicitor General will be undertaking a review, of course, of some of the roles in terms of the RCMP, et cetera, but some of the others, like with the issue of collecting taxes or even the pension, if we were to take over pensions in Alberta, I recall it would be about an \$80 billion liability, so I don't know why we'd be moving in that direction. Collecting taxes. There are various opinions on it, and some of them are quite strong in terms of collecting our taxes here and then just giving to Ottawa what we feel may be fair.

Those are all issues that are on the minds of Albertans. But I think a bigger issue that will be facing this province will be the fallout of what's happening in Ottawa today.

10:30

If you recall, some time ago there was an issue in the province of Saskatchewan with some public money, small amounts of public money compared to what's coming out of Ottawa at this particular time, where people actually did some time in jail.

At the conclusion of the inquiry and where millions of taxpayer dollars are missing and if nobody – nobody – pays the price for that kind of, I think, just obscene behaviour, that's when we'll all have to put our heads down and be careful as to how we guide ourselves during that period of time. I can assure you that there will be tons of frustration in this province if people aren't held accountable for the kind of behaviour that's really left quite a black mark on this country coming out of that inquiry over the last few months. I think the future will tell as to where Albertans will direct their government and how frustrated they're going to be with the process.

The Deputy Chair: The hon. Member for Calgary-Nose Hill.

Dr. Brown: Thank you, Mr. Chairman. I have a small question relating to the Alaska national wildlife refuge. In some recent weeks our representative in Washington was quoted to the effect of saying that Alberta was supportive of the efforts of the U.S. to drill in the Alaska national wildlife refuge.

As the hon. minister is aware, that is the home of a 120,000 numbered porcupine caribou herd, which is governed by an international treaty between the United States and Canada. Those animals migrate from their wintering grounds in Canada to the calving grounds in Alaska on an annual basis. The U.S. Fish and Wildlife Service has predicted that there could be quite precipitous consequences for the herd if drilling were allowed in the Alaska national wildlife refuge. I wonder whether or not the Alberta government's activities in Washington include any representations or whether the government is taking any position with respect to drilling in that wildlife refuge.

Mr. Stelmach: In terms of taking a position, it's not our decision to make. We would of course pay attention to whatever decision is made with respect to drilling in that area, but it's not up to the Alberta government. It would be up to the federal government and, of course, the American government there. Unless the hon. member has other information, I am not aware of us taking a position on either drilling or not drilling in that very environmentally sensitive area, although caribou have been found to kind of warm up to the pipelines that are on the surface and find it a little warmer, and they have something to scratch through sometimes, but not in this particular case.

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

Mr. R. Miller: Thank you. [interjection] You snooze, you lose.

Thank you, Mr. Chairman. In terms of Alberta going alone, I'm wondering whether or not opting out of medicare, as the Premier has mused about doing in the past, might be something that you're looking at. You know, we talked about the pensions and the police force. Is that something that's being discussed around the cabinet table as well?

While I have the floor, I will just mention – I'm quite sure the hon. minister knows – that there are two criminal cases before the courts right now regarding the sponsorship scandal. The Prime Minister has said that anybody who is found criminally responsible will go to jail. That's been his commitment all along. I can assure all members of this House that if and when it is proven that there were criminal acts that took place, every member on this side, as well, would want to see anybody responsible going to jail. I think all Canadians feel that way, and we're certainly no different in that regard.

But if you could address the issue of opting out of medicare, I would appreciate that. Thank you.

Mr. Stelmach: The success of health delivery in this country is based on wealth creation. We have to ensure that we have policies in place and good vision well into the future to create the kind of wealth that's going to pay for not only taking care of an aging environment but the new technology and the new drugs that will be coming forward.

In terms of opting out, I'm not aware of any discussions. There's nothing on the table. Our task here is to provide the best health program in Canada. I really do believe we're leading in that regard, and one of the reasons we're leading, Mr. Chair, is because we are

creating the kind of wealth that we need to pay. Today we had the honour of participating in Canada's finest, if not the world's best, health institute, a research centre right here in the city of Edmonton. You've got the most modern burn unit in the world – I think there are only two other burn units like that in all of the world – here at the University of Alberta. You've got the most modern neonatal unit over at the Misericordia hospital. You've got tons of additional services and new technology that's being offered in Calgary. We've got the best regional health authority in the world here in Edmonton.

So let's focus on the positives and at the end of the day also look at how we're going to create wealth in the future so our grandchildren can appreciate, you know, the same standard of living and the same health programs, so that we sustain them well into the future.

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

Mr. Bonko: Thanks, Mr. Chairman. There were two questions that I hadn't had answered there. The minister concentrated on specifics of amalgamating departments. I'll clarify these ones again.

When he spoke about client performance there with the department's success: who are the clients and how are they reviewed, or at least how far are they removed from this department and the money? Then the other one was specific to programs on the initiatives of the Washington office, to evaluate against the outcomes as outlined in the ministry business plan. Those would be just the two.

Mr. Stelmach: In Washington I believe we'll be looking at the number of meetings, the amount of work that our representative will be doing there with all kinds of agencies, governments, whether they be state governments or the American government.

In terms of the client survey, it's with people not only inside government but outside, private sector, other governments other than the Alberta government to gauge in terms of whether we are earning our keep and bringing value to the taxpayer. I would say that given the kind of work that this department did on two key files but especially the one on health, you got your value because those negotiations weren't going anywhere until such time as we provided a lot of the direction that other Premiers accepted and got a health agreement.

So that is, in short, some of the strategies that we're going to implement in terms of measuring performance. But we'll give you a more detailed answer in a written format.

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

Mr. Chase: Thank you, and I apologize. I thought I was through asking questions. This has to do with health care and intergovernmental relationships. One of the things that was brought out at the Weighing the Evidence health conference that I attended on the weekend was the fact that the cost of drugs is probably the highest cost and continues to rise.

I know that the provinces pushed the federal government for some kind of a co-ordinated drug plan. Basically the provinces called upon the federal government to undertake the funding of this comprehensive drug plan, but it was found to be, at least from the federal point of view, too expensive for them to foot the total bill. My question is: do you think there is a place for the provinces to participate, using the idea of economies of scale, in a total participatory drug plan whereby we do the ordering in bulk and, therefore, saving the cost of drugs at provincial levels? Is this a place where Alberta would like to go, demonstrate leadership, push the federal government in terms of sharing the responsibility of a co-ordinated drug purchasing plan?

10:40

Mr. Stelmach: I believe those questions would be more appropriately asked to the minister of health, but just for the record I want to say that we do have the longest list of insured drugs in this province compared to any other province in Canada and, once again, only because we can afford it. And if it's still the norm or it's still the statistic, not only do we have the longest list, but I think we also have the largest amount of drugs that, unfortunately, aren't used and have to be environmentally treated at the end of the year. It's in tons as well. But without a doubt, we do have the longest list of insured drugs.

The Deputy Chair: After considering the business plan and the proposed estimates for the Department of International and Intergovernmental Relations for the fiscal year ending March 31, 2006, are you ready for the vote?

Hon. Members: Agreed.

Agreed to:

Expense and Equipment/Inventory Purchases	\$10,079,000
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The Deputy Chair: Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Mr. Zwozdesky: Mr. Chair, I would move that the Committee of Supply now rise and report the Ministry and Department of International and Intergovernmental Relations.

[Motion carried]

[Mr. Shariff in the chair]

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

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2006, for the following department.

International and Intergovernmental Relations: expense and equipment/inventory purchases, \$10,079,000.

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

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

head: **Government Bills and Orders
Committee of the Whole**

[Mr. Shariff in the chair]

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

**Bill 31
Real Estate Amendment Act, 2005**

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill?

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you very much, Mr. Chairman. Just with respect to Bill 31, the Real Estate Amendment Act, 2005, and on behalf of the hon. Minister of Government Services, I'd like to respond to some of the questions that were raised during second reading.

For Edmonton-McClung, the Real Estate Act currently allows the minister to make regulations regarding the time limit for submitting a claim to the assurance fund. The amendment act that is being proposed removes this authority and instead places what was in the regulation into the actual act. After the judgment on a claim becomes final, people have one year to claim from the assurance fund. This change ensures that claimants will be able to access the fund even if the court process is delayed.

For questions that were asked by the Member for Edmonton-Calder. The three-year time period to submit a claim from when industry members were last registered has been removed from the legislation. A claimant will now be able to take all the time that is necessary to obtain a judgment. After the final judgment is received, a claim must be submitted to the assurance fund within one year, and as I just indicated in response to the question asked by Edmonton-McClung a bit earlier, this will ensure that claimants will be able to access the fund even if the court process is delayed for whatever reason.

Edmonton-Rutherford had some questions, and the answers are that the regulation changes being made in this act will allow the Lieutenant Governor in Council to decide which corporations or entities cannot apply for compensation from the assurance fund, and the minister responsible will be able to prescribe additional information and documents that may be needed in the future. Also, all regulations will be consulted on with the relevant stakeholders prior to being passed.

Edmonton-Beverly-Clareview had some questions, and the answers are: regarding the implications of these amendments with respect to banks, it should be noted that the assurance fund was established in 1984 to pay consumers and unsophisticated claimants who have unpaid judgments resulting from acts of fraud or breach of trust by industry members, and of course that will remain in place. The fund was not established to compensate financial institutions and sophisticated investors who have access to independent legal advice or to in-house appraisers and so on. In fact, there have been no direct discussions with financial institutions on that one specific issue. However, the options and requirements to clarify the intent of the fund were researched to preserve it for consumers and small businesses.

To achieve the long-term viability of the fund, the Real Estate Act is being clarified to restrict claimants, to establish time limits on filing claims, and to set limits for compensation for losses. The Ministry of Government Services does not believe that institutions will penalize clients who become victims of fraud or breach of trust by industry members.

So I hope, Mr. Chair, that that clarification of some of the questions and some answers on behalf of the Minister of Government Services is helpful to speed along the discussion this evening on Bill 31. Thank you.

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

Mr. Chase: Thank you. I speak in favour of the act. This act supports the government's contention that it's not in the business of being in business, which is a direction that we in the opposition applaud. It is clear that the fund's intention is to protect consumers, not banks and lending institutions, who can afford insurance when dealing in real estate to cover their losses. So it's protecting the

people, and that's extremely important to us. This bill will protect the fund from large claims from lending institutions that would potentially make the fund go broke. Albertans are being protected. Business is being put on notice, and I appreciate that.

Thank you very much.

[The clauses of Bill 31 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

10:50

Bill 34

Insurance Amendment Act, 2005

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Edmonton-Rutherford.

Mr. R. Miller: Thank you very much, Mr. Chairman. I had indicated in second reading that I did have a number of comments and questions to make regarding this bill, most specifically with section 5.

I'll start with section 2, which is the clause that outlines the legal definition for a Crown insurer. Specifically, I'm wondering: the government has said that any Crown insurance company moving into Alberta to do auto insurance business in Alberta will have to meet the same rules and regulations and play by the same rules as any other company that is operating here. I don't think there's anybody in my caucus who would disagree with that, but I'm wondering if either the minister or somebody speaking on her behalf might be able to outline for us just exactly what they had in mind when they indicated that because in my mind it would have seemed to be rather obvious that a Crown insurer coming in would have to play by the same rules. Nevertheless, it's written into the legislation, and I would like to know just exactly what thought went into that particular clause.

I don't really have any problem with sections 3 and 4. They appear to be just housekeeping.

Section 5, the infamous section 5. I think I said in second reading that I was shocked, dismayed, disgusted – and I probably used several other adjectives – at the fact that the government of Alberta is not just limiting but, in fact, taking away the right of Albertans' access to the courts.

I asked in second reading – I didn't get an answer from the hon. Minister of Education tonight; I guess I'm the first speaker, so I didn't get an answer at all; perhaps I will get one – to be informed of what I understand would be the second, other case where the Alberta government has legislated against the lawsuit. I understand from Alberta Finance that there have been two instances in the past where the Alberta government has taken such a spectacular move in legislation. The one that I know of was the case of the sterilization victims from Michener Centre in Red Deer. I have been unable to find the other instance where it was done.

As near as I can tell at this point, this is only the second time that the Alberta government has taken such a broad brush against every single Albertan when they say in clause (2) that "no liability attaches to the Crown for any loss or damages that have arisen or may arise in respect of the reform amendments."

In clause (3), then, it goes on to specifically extinguish without costs – and I love that word “extinguish” – a particular action that is already before the courts. Now, I have to admit that I don’t know how often this step may have been taken in legislation, but again I’m shocked and appalled. The thought that somebody could come before the courts with a legitimate claim against the government and through legislation have it extinguished while it is before the courts scares me as a small businessperson in this province. It scares me as a citizen of this province. It smacks of Big Brother in 1984.

It really does beg the question for all Albertans: if the government can take this action against, in this case, Kingsway insurance, who’s next? I really, truly believe that everybody in this province should have alarm bells going off in their heads right now when we debate this bill in this Legislature because I just don’t know where it can stop. Once you open up this Pandora’s box, literally who is next?

I understand from the Alberta Civil Trial Lawyers Association that they actually are planning a constitutional challenge to this particular clause in the bill. At this point the information that I’ve received from Kingsway is that the amount of their claim is down to \$3.4 million. Now, if you were to believe Kingsway – and I’m certainly not a lawyer, and I don’t know whether they’re right – their argument is that their claim would be the only one based on the circumstances of the case, that the reason nobody else has filed suit against the government is because nobody else has a claim against the government, at least as it relates to the initial freeze on auto insurance premiums. If their argument were to be true and their claim is down to \$3.4 million, I wonder what the cost of defending a constitutional challenge to this government is going to be. I suspect, knowing the time period involved in going to the Supreme Court of Canada, defending ourselves in that circumstance . . .

Mr. Bonko: Two years.

Mr. R. Miller: My colleague from Edmonton-Decore suggests that it could be two years. The number of resources that would have to be poured into a defence like that could well add up to far more than \$3.4 million.

Given that this lawsuit appears to have been brought forward in good faith under all of the proper rules, to wilfully waste money defending what I believe is bad legislation to begin with at the Supreme Court of Canada is certainly not, in my mind, a good use of taxpayers’ dollars. So I would really, really like to hear from somebody on the government side as to how they can defend clause 2 and clause 3 in section 5. Those just cause me untold concern, and I know that they have caused a lot of concern for not only Kingsway General Insurance but for the Civil Trial Lawyers Association and certainly all of the colleagues in my caucus.

So I’m hoping that somebody could provide some insight into that tonight at committee stage, Mr. Chairman, and I will take my seat and await a response. Thank you.

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

Mr. Oberle: Thank you, Mr. Chairman. I rise to respond to the comments of my hon. colleague. First of all, as it relates to section 2, Crown insurers, he indicates that it goes without saying that the public insurers would have to adhere to the rules of the province of Alberta. Why did we legislate it? That’s to clarify that Crown insurers from neighbouring provinces or from wherever would have to abide by the rules in the province of Alberta, which are different than the province they may originate from, such as having certain capital requirements, paying the same taxes, maintaining Alberta offices, whatever the regulations may be. That had to be clarified

because they are currently licensed to operate in other provinces.

Now, with respect to section 5, first of all my hon. colleague requested to be informed about other similar cases, and my recollection of the debate under second reading was that the Finance minister undertook to answer that question. Certainly, the member has discovered one such case. I’m not personally aware of any others, but I understand the Finance minister was going to get back to you on that.

With respect to the case named in section 5 and the supposed constitutional challenge thereof, I would caution the member that the lawyers for that particular insurance company are free to say what they want; that doesn’t make it so. Certainly, any bill proposed by the government is reviewed by the department of the Minister of Justice and Attorney General, and certainly we proceed on their advice. So I will defer to the hon. minister if he wishes to make further comment – and that would be a no. I believe that we’re certainly in compliance with everything we’ve been advised by our lawyers.

Thank you, Mr. Chairman.

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

Mr. Chase: Thank you. I would very much like assurance from a representative of this government that inclusion of public insurance isn’t just tokenism and an attempt to quell the concerns about not having a public insurance program in Alberta. Again I’ll refer to the economy of scale. For a public insurance system to offer lower rates, they have to have a larger population base in order to offer those rates, and given the small portion of the market that out-of-province insurers might like to capture, I’m not sure how many would be interested as opposed to a full-blown public insurance program within the province, that would save Albertans considerably.

11:00

My esteemed colleague from Edmonton-Rutherford also talked about subsections (2) and (3) of section 5. To me it’s an escape clause on this government’s part. I’ll use not only the Orwellian model, but I’ll use the fact that it’s draconian to think that this government legislates something that’s above and beyond the law. With regard to the Orwellian ideology that was referenced, the line or the ideology out of 1984 is that he “who controls the past controls the future,” that somehow we can rewrite the future and our responsibilities. I don’t believe that either subsections (2) and (3) or the notion of putting a limit on soft tissue injury compensation will stand up to a constitutional challenge, and I look forward to those challenges taking place.

In one sense Kingsway has brought up a particular concern. I’m not concerned about Kingsway. I’m concerned about the legitimacy of trying to negate future claims more so than Kingsway’s monetary concerns, and of course I’m concerned about the legislating or attempting to legislate compensation for soft tissue injury. I don’t think it’s within this government’s power or should be within this government’s concern to try and limit that type of compensation.

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

Mr. Oberle: Thank you, Mr. Chairman. I guess it’s difficult to comment on my hon. colleague’s assertion that the section relating to public insurers is window dressing. It reads pretty clear to me that Crown insurers are allowed to operate within the province of Alberta. Whether they choose to do so or not is entirely up to them, but with passage of this bill they would be allowed to do so.

This government is not now nor ever going to create a monopoly for Crown insurers to operate in this province, but it's certainly offering the opportunity for them to do so. Should they decide that they can compete, they're free to enter the market. In fact, my understanding of the situation is that at least one insurer is ready to enter the market.

With respect to section 5, again, this bill says nothing about soft tissue injury. That's a bill passed by this Legislature in the previous session.

With respect to the Orwellian question, I thank the member for his literary lesson. I have another one myself: as much as a member may huff and puff, he won't blow this House down. We believe that this is a sound piece of legislation, and it will survive challenge.

Thank you, Mr. Chairman.

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

Mr. R. Miller: Thank you, Mr. Chairman. I'd just like to mention that I appreciate the effort that the Member for Peace River is making in answering our questions tonight as we move this bill through the committee stage.

Section 8 refers to strengthening the Crown's authority by allowing it to impose terms or conditions on licences at any time that it considers appropriate. My understanding is that prior to this amendment the Crown could only make such decisions at the time of issuing or renewing a licence. I'm wondering if you might be able to share with us what this change will mean to consumers most specifically but also what impact it might have on insurance companies and if you could give an example of where or why you would change a licence, you know, halfway through its term or a third of the way through its term.

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

Mr. Oberle: Thank you, Mr. Chairman. An excellent question, and I can point out that this clause is entirely inserted as a consumer protection measure. The government of Alberta grants operating licences to a wide variety of companies: pulp mills, anybody running a boiler – I'm sure some of your colleagues would be familiar with that – all sorts of operating licences. In most of the cases that I'm aware of from my past experience in industry the government can impose operating conditions at any time for violations of safety regulations or environmental regulations, reforestation regulations, as in my previous business.

This section is inserted so that the same would apply to insurance companies with a licence to operate in Alberta. Should they violate any of the regulations under the Insurance Act, the government could mid-term impose operating restrictions. This would impose some hardship on the company, with good reason, for violating regulations, and would impose some protections to consumers. Examples of violations might be not meeting the capital requirements, violating the all-comers rule, something like that.

So if the government received complaint or under its own investigations discovered that a company was violating the regulations or the terms of its operating licence, they could restrict the practice of the insurance company within the province.

Thank you, Mr. Chairman.

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

Mr. Tougas: Thank you, Mr. Chairman. I don't know the details of the Kingsway suit in particular. I don't know what they're all about, but I just find it very disturbing that we would pass a piece of

legislation that would go out of its way to quash a lawsuit. It seems to me that these people have the right to go through the courts. They've launched a suit. They have the right to see it go through to its conclusion.

This is very disturbing to me in that way because everyone has a right to due process, and it seems to be that by doing this – you know, is this the beginning of a trend? Can we do it the next time there's a lawsuit up against the government that it doesn't like, that we can just pass the legislation to stop it? Maybe if you could address that. The rest of the bill is – I don't know – mostly house-keeping stuff, but there's a little, tiny, very disturbing element to this. Perhaps you could let us know: will this happen again? Next time around, when the government has their back against the wall in a lawsuit, are we going to pass a law to stop it? Can you address that, please?

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

Mr. Oberle: Thank you, Mr. Chairman. Clearly, I can't address the hypothetical "will we do it again?" portion of that question. I don't speak to what this government will do in the future or what some future government may do.

I will point out to the hon. member that his own colleague just pointed out that this is not unprecedented, and clearly this government doesn't believe that it's Orwellian or anything else. The fact of the matter is that this government is following through on its legislation passed in the last session to reform private automobile insurance. It was clear in the intent of that previous legislation that the insurance companies were not going to be compensated for changes in the insurance regulations, and all that this bill does is follow through on that commitment. Again, it's not unprecedented.

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

Mr. R. Miller: Thank you, Mr. Chairman. I'd just like to remind the Member for Peace River that the last time that this government brought forward a piece of legislation that extinguished the rights of a group of Albertans, the Premier backed up on that within 48 hours, and that piece of legislation was dropped.

It might be wise of this government to consider doing the same with this particular piece of legislation because it really does open a door to a path that I'm not sure any one of us really cares to go down. It causes me, as I said before, untold concern. I'm just not satisfied with the explanation we're getting from the Member for Peace River, and I'm, quite frankly, disappointed that there aren't many other members in this House standing up tonight to speak against this particular section in the legislation.

Having said that, I would like to jump on to section 14, which I see adds a clarification as to making sure that the consumer rep on the Automobile Insurance Rate Board cannot be a member of one of the public insurance companies or their affiliate if they should choose to come into the province, and that's a good thing. I would like to remind the House it was actually my colleague from Edmonton-Gold Bar who brought forward the notion of having a consumer rep on the AIRB in the first place. We certainly want to protect the integrity of that position. If anything, there should be more than one consumer rep, but I am pleased to see that we've made that clarification.

11:10

Section 18, again, outlines some of the General Insurance OmbudService, that was talked about in second reading, and I applaud that. It looks as if we've outlined relatively clearly for

consumers what the appeals process would be, and I do believe that that is a good thing.

I did have another question here, and I'm not sure if I'm going to be able to remember it before some hon. members might suggest that I'm sleeping. In fact, I'm not sleeping, but I'm looking for my third question or my third comment.

I will take my chair, Mr. Chairman, and look for that other question and allow somebody else to take part in the debate. Thank you.

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

Mr. Chase: Thank you. I appreciate the point the hon. member made about the soft tissue concerns being a separate issue.

I would like to know: does this amendment address or is the government proposing a future act that would address the automatic passing of rate increases by the insurance commission, which led to incredible insurance profits and a rise, a 60 per cent increase, that was allowed by the insurance commission prior to the government discussing rollbacks? Then, of course, with those rollbacks we went the voluntary route, and when that didn't work, we rolled back the insurance an additional 6 per cent. I think we've probably now gone back about 13 per cent of that 60 per cent increase. Will this amendment or other proposed acts of the government deal with insurance profits, or will it simply be a further rubber stamping once they've had this initial setback?

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

Mr. R. Miller: Thank you, Mr. Chair. It's amazing. I think Bill Cosby once said that if you go back and sit down, you will remember what it was you were thinking of, and as soon as I sat down, I remembered what I was thinking of.

One of my pet peeves throughout my time here at the Legislature, particularly as it concerns the auto insurance reforms, has been the fact that in so many cases the reforms apply only to privately owned and operated vehicles. We seem to be leaving business, particularly small business – I'm a member of that community – out of the equation and not doing enough to support small business in their efforts to be competitive.

In section 12 the change that's being made specifies that it applies only to private vehicles. The inference I'm left with is that previously it applied to all vehicles, and now we're changing it to apply only to private passenger vehicles. Again, if the Member for Peace River wouldn't mind commenting on that, I would be curious to know why we've chosen to go that route in this case and, at least in my mind, appear to once again have neglected the needs and concerns of small business.

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

Mr. Oberle: Thank you, Mr. Chairman. Just to address the comments again on the Kingsway case. The government is just acting to protect Alberta taxpayers from having to compensate insurers. It was in the process of developing the reforms. The government stated clearly that the costs associated with the new system would be covered by the insurance industry, and I would remind the hon. member, my hon. colleague, that there were corresponding liability offsets, and the losses were not that significant in that regard.

With respect to his comments about the rate review board I would remind him that I take a little bit of exception to the rubber-stamp concept. First of all, the rate review is not complete. All we've

done so far is that the minister has signalled her desire for a voluntary rollback, that not forthcoming, a rollback imposed. But the rate review process is still under way, and we're awaiting an answer to that in the fall of this year. What this bill does is allow a mandatory rollback not just on basic insurance but also on extra insurance, on collision, in the event that there's profit-taking in that sector. So this adds, again, more consumer protection powers to the minister.

With respect to small business I hear clearly and I'm sympathetic and I believe the government is sympathetic to the commercial insurance sector. The reason that this bill applied strictly to private passenger vehicles was that it's a completion of last year's private insurance reform. I believe the clause that the member highlighted indicates that the all-comer rule applies to private passenger vehicles only. The reason for that is that the commercial vehicles already have an insurer of last resort.

As I said, I'm sympathetic, but at this stage a review or a redo of the commercial insurance sector, if required, would also require a full-blown public involvement, a public input process, and the government is anxious to complete reforms to the private insurance process started in the last session.

With that, Mr. Chairman, I'll close comment and call the question.

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

Mr. R. Miller: Thank you, Mr. Chairman. In reference to the comments just made by the Member for Peace River, when the government undertook their reforms, one of the things that I know they were hearing loud and clear was the concern of new drivers and, particularly, young drivers. Certainly, that is a major concern for small business when they're looking at hiring, whether or not this person that they're hiring fits into those so-called high-risk categories and whether or not that's going to add to their cost of doing business. Although there may well be an insurer of last resort, there's also a huge cost related to that. The young driver has benefited greatly by the reforms on privately owned, privately operated vehicles. Unfortunately, small business has not benefited to the same extent at all when they're looking at hiring young people. So that was the reason for my raising the concern today.

Now, the Member for Peace River said during second reading – and he said it again tonight, in fact – that the government clearly stated that any costs associated with the new system would be covered by the insurance industry. I happen to be privy to the government documents that have been produced in relation to the Kingsway lawsuit, and I've gone through that, pored through it with a fine-toothed comb. In fact, Mr. Chairman, I can't find anywhere in that documentation produced by the government in its defence that they're preparing for the lawsuit where they say that.

I'm wondering if the Member for Peace River could either show us a copy of the speech or the press release or the public statement or the media report or whatever where during the reforms the government said that the costs associated with this system would be covered by the insurance industry, because I can't find that in the brief that they've prepared in defence of the Kingsway lawsuit.

Thank you.

[The clauses of Bill 34 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.
The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Chairman. I would move that the Committee of the Whole now rise and report bills 31 and 34.

[Motion carried]

11:20

[Mr. Shariff in the chair]

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

Mr. Mitzel: Thank you, Mr. Speaker. The Committee of the Whole has had under consideration certain bills. The committee reports the following bills: Bill 31 and Bill 34.

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

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

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

Bill 16
Business Corporations Amendment Act, 2005

The Acting Speaker: The hon. Member for Calgary-Nose Hill.

Dr. Brown: Thank you, Mr. Speaker. It's my pleasure to rise tonight to move third reading of Bill 16, the Business Corporations Amendment Act, 2005.

In so doing, I want to address a couple of concerns that the hon. Member for Edmonton-McClung had raised regarding the accountant's independence. The legislation does provide that an accountant is disqualified from being an auditor of a corporation if the accountant and/or his business partners are shareholders of the corporation. Furthermore, a corporation is required to state the reasons for replacing an auditor of a corporation, which it was not required to do before, and the auditor is allowed to comment on the corporation's statement.

The Business Corporations Act came into force in 1982 and has not been substantially amended since 1987. These new amendments to the Business Corporations Act will modernize Alberta's legislation to keep pace with changes that have been made to the federal corporations laws and will help to harmonize many of the provisions of the Alberta Business Corporations Act with those of its federal counterpart. The amendments will also allow the greater use of electronic technology, they will facilitate shareholder and director involvement in the governance of the corporations, and they will enhance shareholder protection in keeping with the trends in other jurisdictions.

There are significant new safeguards for shareholders in this legislation, and that will enable shareholders to have greater confidence when they invest in Alberta corporations. These include expanded disclosure requirements for directors and officers, who may include any interest in material transactions as well as any material contracts in their disclosures.

Mr. Speaker, those conclude my remarks in moving third reading of Bill 16, the Business Corporations Amendment Act, 2005.

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

Mr. Chase: Thank you. I would just like to applaud and recognize the wisdom of the sponsor of this bill, who is also, I believe, a Calgary-Varsity constituent. It has been noted that 72 per cent of individuals populating the constituency of Calgary-Varsity have postsecondary degrees, so it's no wonder that we've seen such intelligence recognized and shared within this House tonight. I applaud the member. It has to do with living in the constituency, I'm sure.

Some Hon. Members: Question.

Mr. Bonko: Mr. Speaker, I get a little concerned when we hear "Question." If people don't want to give to the debate, perhaps they should go home if that's the case for some of the people.

For myself, our concerns with this particular piece were basically addressed to some extent. We do support the bill and would like to see it, as the whole thing does unfold, with respect to the unlimited liability corporations. We also agree to the standardization with regard to the provincial laws and with regard to the federal status as well.

The Acting Speaker: The hon. Member for Calgary-Nose Hill to close debate.

Dr. Brown: No further comments, Mr. Speaker.

[Motion carried; Bill 16 read a third time]

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

Bill 35
Employment Pension Plans Amendment Act, 2005

[Adjourned debate April 25: Mr. R. Miller]

The Acting Speaker: Are you ready for the question?

Some Hon. Members: Question.

The Acting Speaker: The hon. Member for Calgary-Nose Hill to close debate?

[Motion carried; Bill 35 read a second time]

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

Mr. Zwozdesky: Thank you, Mr. Speaker. It's been a very exciting and productive day and evening here in the House, perhaps in celebration of VE Day. Regardless, it's a wonderful tribute to all members of the House, and on that basis I would move that the House now stand adjourned until 1:30 p.m. tomorrow.

[Motioned carried; at 11:26 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]