

Legislative Assembly of Alberta

Title: **Monday, November 28, 2005**

8:00 p.m.

Date: 05/11/28

[Mr. Shariff in the chair]

The Acting Speaker: Please be seated.

head: **Motions Other than Government Motions**

Salaries of Government Employees

512. Mr. Snelgrove moved on behalf of Mr. Griffiths:

Be it resolved that the Legislative Assembly urge the government to index the salaries of all government employees to the average weekly earnings index and provide salary adjustments based on supply and demand pressures within one year following a provincial election.

The Acting Speaker: The hon. Member for Vermilion-Lloydminster on behalf of the hon. Member for Battle River-Wainwright.

Mr. Snelgrove: Thank you, Mr. Speaker. It is with a great deal of pleasure that I rise to introduce a motion on behalf of the hon. Member for Battle River-Wainwright. He is, as many in the Chamber know, expecting to start a family fairly shortly and hopefully, he's hoping, before the new year so that he's eligible for all of the appropriate incentives. But I think we would all agree that although we do some very important work in this Chamber, he's certainly off on some important business of his own. Looking out for the future generations, he's introduced this bill.

Mr. Speaker, what the hon. member is trying to start here is a debate about what's the intent of the negotiating process with the provincial government and its employees. I think all people in the House would agree that it's in our best interest to have a working relationship that is transparent, that the importance of our staff is recognized, and that we're not entering into endless negotiations through salary increases that may just be a small part of the total package that we're dealing with.

What he's suggesting, Mr. Speaker, and what I support is that the public sector could receive an automatic base salary increase, the same as MLAs receive, yet their union or association would still be able to negotiate the other parts of the arrangement, be it whatever particular vocation they are, whether it be class size or teaching hours, whether it be staffing ratios in nursing homes. All of the other issues that make up a collective agreement would still be on the table. All of the major adjustments to this would occur after a provincial election within one year so that politicians are neither blackmailed nor forced into making settlements that are either unfair to the employee or unfair to the taxpayer, and the balance and the confrontational way that we've had negotiations simply don't serve the process very well.

The other thing we want to let our employees know is that we value their work, and many of them would like to continue to provide the good work they do knowing they would be treated fairly. I think there is a fairly common misconception, Mr. Speaker, that somehow – and this comes up many times in our travels – MLAs receive huge increases and that we are just determining all of our own salaries willy-nilly. In fact, most people would be surprised to know that our salaries are increased on a completely independent assessment of the increases in cost of living, and we accept that.

Since 1999, Mr. Speaker, we've actually received an average of 2.2 per cent, from 1999 to 2004. They range from a high of 3.34 in

2001 to a low of 1.36. I think it's fair to say that no one is in this Chamber for the exorbitant salary that we receive, and although I think that we're fairly compensated, it also is appropriate that we don't determine our increases year to year.

I'm looking forward to the debate tonight, Mr. Speaker, because I think that if we take this as an opportunity to improve our relationship with our staff, we can build this on a positive note, that we accept that how we do in this province is how you will be compensated. That directly is related by the salaries that the private sector gives, and that's based on profit. Our government needs to be able to follow and maintain our workforce at the level that is comparable and equal to what they bring to the table.

Mr. Speaker, I think that if we were to implement Motion 512, we would simply see this as fair, that it's predictable and transparent, and it settles all wages in our government sphere as we are settled here.

The other thing, Mr. Speaker, that is very troublesome is that we seem to have negotiations go on and on and on, and when they're finally settled, they may be retroactive for a year or a year and a half, and you're right back into the negotiating cycle again. I don't see how that serves anyone.

Mr. Speaker, with that, I will take my seat and look forward to the debate on Motion 512. Thank you.

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

Mr. Backs: Thank you, Mr. Speaker. Now, this motion appears to be a way for the government to strike at collective bargaining and the ability of a union to negotiate wages with the Crown. By indexing all government employees to the average weekly earnings index, there is no opportunity for any of the public-sector unions to negotiate a fair wage based on other factors, such as real inflation, what the market offers, the changing nature of the particular trades, occupations, professions, and whatever they represent. That free market process, that allows for these things to be brought about in free and fair negotiations, fails to come about.

This motion seriously undermines the process of collective bargaining. I don't see how it could conform to the Alberta labour code, and it would probably make necessary some huge changes in that – and I don't have some of the specifics here with me right now – which we usually only see in jurisdictions that would have been called in the past corporatist. There are other words that are used for that.

The second prong of this motion seems to be very much at odds with the first. Simply speaking, either the government incorporates indexing to the average weekly earnings index, or they rely on supply and demand pressures or market forces to determine salary adjustments. There is an inherent contradiction in these two statements. It is very bad public policy to have two different approaches to salary adjustments for all government employees. In the interests of consistency and transparency one approach should be taken, not two varied approaches.

This method most certainly takes away from unions such as the Alberta Union of Provincial Employees the right under their existing collective agreement to negotiate salary increases under the terms of their collective bargaining agreement. It can be seen as terribly eroding the power of the union to negotiate fairly and equitably and with full input of all of the members of the union the terms of the salary increases. This also can be seen as a way for the government to take some of the power of the union away in this very important area of collective bargaining. It strikes at the heart of the principle of collective bargaining, and I think you will see a firestorm in this

province if this motion and the legislation that would be needed to bring it to effect are brought into effect.

Thank you, Mr. Speaker.

The Acting Speaker: The hon. Minister of Economic Development.

Mr. Dunford: Yes. I'd like to enter into the debate on the motion and begin by saying that the motion as written looks tantalizingly seductive in terms of agreement of this House, but I think there are other, underlying issues that need to be dealt with here. I would see it as part of any MLA's responsibility in having that kind of knowledge or that kind of concern to rise and at least put onto the record what those concerns would be.

First of all, I want to make sure that we make note of the fact that it does talk about government employees. One assumes, then, that we're talking about everyone from whatever the lowest classification is within the government right up through all of the executive positions. Certainly, I don't know if there are any wage or contract workers left on the payroll of the government of Alberta. I know that there has been a move to try to, you know, remove that category through collective bargaining over time.

8:10

So if we are indeed talking about government employees, I think there are some things that taxpayers should know and understand, and that would be that within the collective bargaining with the Alberta Union of Provincial Employees we certainly haven't had a history of runaway wage increases, that sort of thing. As a matter of fact, if I could speak on behalf of the Alberta civil service, I wonder if they've really been paid what they're worth. Certainly, any government knows and understands that in order to achieve the objectives of a political arm of a government, there has to be the civil service, then, in place in order to actually do the day-to-day work and to carry that out.

Even though doctors didn't take the 5 per cent cutbacks, certainly nurses did, and certainly teachers did. If we were to look at a base year, then, to start to compare what's happened in terms of wage and salary increases, I would pick perhaps the year '93 or '94. I don't have information in front of me, so I'm going a bit from memory, but if we were to compare, let's say, the last 10 years of what's actually happened, I think you would find that doctors, nurses, and teachers, who would not be covered by this particular motion, have actually had outstanding wage increases, probably somewhere in the order of a 40 per cent increase in those particular salaries. In those numbers I certainly wouldn't be including the last go-round. So it's likely now that we're approaching 50 per cent, whereas the government of Alberta employees certainly have not had the kind of scale of increases that would be put into place.

It might seem unfair, then, if one was to look at a period of time to try to adjust the Alberta civil service wage rates to what's actually been happening. It would seem perhaps unfair to bring in – I realize that this is a motion, but if this were to carry the government into legislation to actually enact this motion, it would seem that the timing would be a little bit unfair because we're really catching them at a period of catch-up.

On the other hand, there is, I think, amongst taxpayers out there a general belief that we MLAs and civil servants generally are overpaid, so that's the seductiveness of this kind of motion. I think we'd want to be careful in looking at this type of thing, and if it was to proceed much further, we would want to spend I think a fair amount of analysis on the time frame in which this would happen.

Now, I'm trying to be as discreet as I can in my comments because I know that Dan MacLennan, president of the Alberta Union

of Provincial Employees, is an avid reader of *Hansard*, and I would hate the thought that my comments would become part of the next collective bargaining process. You know, I do think that facts speak for themselves and that there is a situation there that I for one believe there was a plan in place to rectify. Certainly, I would want to see that plan go forward.

I think the hon. member that spoke previously – and I'm sorry; I forget the constituency – in fact is correct. We would have to open the labour code. I think that any legislation in this House, of course, is subject to being opened at the bequest of the government. I mean, that's what governments do. But to open the labour code at this particular time I think would be, again, another risky venture. What we've had lately in this House are questions regarding, you know, some emotion that was around the Lakeside Packers dispute. We had Finning Tractor out there, the Telus agreement. We've got now an emotional cry amongst many portions of the labour movement for implementing first agreements. I would think that if anyone is going to argue against this kind of emotion, they would also have to argue against the implementation of first agreements because in any other definition you would have to be starting to infringe, then, upon the interpretation of what free collective bargaining would be all about.

I think that the record of labour relations in Alberta is without peer. It stands far and away as a living code that's been able to deal with situations over time. The record speaks for itself. The overwhelming majority of disputes have been resolved, and it's usually because reasonable people after a period of time of emotion, after a period of time of leveraging and flexing muscles and the rhetoric that all goes with that, ultimately know that eventually they're going to have to live with each other, so they're able to come to types of agreements.

Again, I would caution any supporter of this motion that we, in fact, then would have to dig into the Labour Relations Code. All I'm doing is warning that once opened, there might be other things that would have to be considered that, again, supporters of this motion might not be interested in looking at.

The intent, I think, of the motion is to deal with government employees the way that we're dealt with in terms of attaching the wage increases to the average index. But I'm not sure that it's the wages that are the problem. The benefits have become a real cost. I don't know where our pension plan is, but if we're going to talk about equalizing government employees with MLAs, then maybe it's time to start thinking about MLA pensions again. If we're going to do that, of course, that would be more expensive, Mr. Speaker, to the Alberta taxpayer than the transition allowance. I'm not sure that everybody understands that, but when you do the math, that's what in fact happens.

So this looks good, but it won't be able to stand in isolation. There are other things that will come with it. I think I would encourage a real hesitancy before we support this kind of motion.

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

Dr. Pannu: Thank you, Mr. Speaker. I rise to speak on Motion 512. To start, I read the motion, and I'm not entirely sure if the motion is clear enough. It's a motion, certainly, that refers to government employees, a very large number of Albertans who provide very valuable and valued services to the government as well as to Albertans through this government.

There's a reference in this motion to "index the salaries" of government employees "to the average weekly earnings index" on the one hand, and then immediately following that it says, "provide salary adjustments based on supply and demand pressures," which is quite different from the average weekly earnings index because

there's a more dynamic aspect to the supply and demand pressures, and "within one year following a provincial election" is yet another thing.

So I'm not sure if the motion is clear. In fact, I think it's rather confusing and unclear. So one wonders what exactly the motion is calling for to allow the supply and demand relationship to determine what wages are agreed to or collectively bargained for. Or is it that we impose some sort of measure to the average weekly earnings index?

8:20

So even at this point I'm not focusing on the issue of what it does to the right of collective bargaining of employees. I'll come to that later. But even if we are not talking about that, still the question remains: what exactly is the motion asking us to do? It seems to me that you are asking for two quite different things, two different things that may be at cross purposes with each other because the average weekly earnings index is the broadest measure of all earnings across all occupations and economic sectors, covering everyone who is drawing a salary or wage. On the other hand, supply and demand pressures vary depending on whether we are talking about skilled tradespeople, nurses, teachers, or someone else.

It is also unclear, Mr. Speaker, who is covered by the term "government employees." Does it include public service managers? The Minister of Economic Development, who formerly had the portfolio of Human Resources and Employment, has raised that question already. Does it include public service managers or other public service employees? Are chairs, chief executive officers, and senior managers of government agencies, boards, commissions, and provincial corporations included? This is an important question that must be answered given that the officials at the most senior level of the public service barely six months ago received a huge, hefty increase of 27 per cent and a benefit hike just last summer on top of all the regular annual pay hikes. So we need to ask this question: who is being called a government employee?

Should we make the comparisons real and fair between those who receive the 25 per cent salary hike and an increase in other benefits and those who didn't before we begin to look for a uniform measure, even if that were desirable, to see how we want to deal with the salary increases for government employees? I raise the question of whether we have provincial corporations like Alberta Treasury Branches and the Workers' Compensation Board restricted to increases in the average weekly earnings index? What about the regional health authorities? The senior managers have seen their pay hike packages more than triple over the last 10 years or so.

So there are different rates at which salaries have increased, different rates by which they have been adjusted over the last 10 years. Some groups of government employees have fallen way behind. Teachers and others have suffered cuts, as the minister just mentioned earlier, 5 per cent cuts, while others have enjoyed very, very significant increases and growth in their take-home pay.

What about bonuses and lump sum payments? Would they be similarly disallowed? If not, senior managers, who routinely receive bonuses with a value of 20 per cent or more of their total pay package, would gain an advantage over rank-and-file employees who are not provided with such bonuses. So a question of fairness arises in a very significant way when you begin to look at the implications of what this motion is trying to accomplish.

The yearly salary increases of the rank-and-file public service employees have in some cases not even kept pace with living costs. That's the other side of the equation. For example, the most recent collective agreement negotiated with the Alberta Union of Provincial Employees provides for salary increases averaging about 3 per cent

a year, which is just about at the level of inflation. So there are differences within this group of public employees, great differences that will have to be first reconciled before we really begin to develop a formula that is applied equally, without discrimination, to all of these groups of workers that we call government employees. Some have highly benefited from the way we have offered them increases, and others have really fallen behind.

We talk about all of this in the context of labour shortages and the importance to retain government employees who have worked for the government for years and years and developed the kind of skill sets that are absolutely necessary to do those jobs well. The problem of retention becomes another one. You know, if you begin to impose these kinds of settlements by way of legislative fiat, what happens? What does it do to the stability of the workforce we call the government employees?

Finally, Mr. Speaker, this motion also, of course, I think, has perhaps inadvertently forgotten the fact that rights to collective bargaining are one of the most important democratic rights in Canada, in our kind of society. We are a democracy. First and foremost, these collective bargaining rights are a part of that democratic rights package that all of us are proud of having available to all of us as citizens. Two, if this motion were to be passed by this House, this would be a statement against the continuation of a guarantee of those democratic rights, which include collective bargaining rights. So I think the whole issue of democratic rights – we have talked in this House of democratic deficit. Let's not add another element to the democratic deficits that we must address as legislators, democratically elected representatives of our own fellow citizens. Also, the issue of the labour code has been raised by the hon. Member for Edmonton-Manning and then by the Minister of Economic Development, who also represents Lethbridge-West.

Critical questions seem to be overlooked in the drafting of the motion in addition to the lack of clarity of what the motion really seeks to establish. When you put the motion against the backdrop of a fairly high level of labour strikes and employee/employer conflict situations that have risen over the last five, six months, one has to ask whether or not giving support to a motion like this would further intensify that conflict, would further fray those relations between employers and employees; in this case, between us as employers, I suppose, representing the government, and government employees, another large group of workers.

For those reasons . . . [Dr. Pannu's speaking time expired]

The Acting Speaker: The hon. Member for Red Deer-North, followed by Cardston-Taber-Warner.

Mrs. Jablonski: Thank you. Good evening. I'm pleased to rise and join the debate on Motion 512, sponsored by the hon. Member for Battle River-Wainwright. This is a very interesting motion to address very important concerns.

Mr. Speaker, I would like to begin my remarks this evening by acknowledging the excellent work that is done by the civil servants of this province. Alberta's public service is second to none and has helped to ensure that Alberta is the best place to live, work, and raise a family. Our public officials are well compensated, and they deserve to be.

Motion 512 proposes that the salaries of all government employees be indexed to the average weekly earnings rate for Alberta as prepared by Statistics Canada. This motion would also allow for a labour demand adjustment in the year following an election. Mr. Speaker, as a government it's important that we are able to provide needed services to our citizens. The men and women of the public service help us accomplish this goal, and as I mentioned above, they

do this in an exemplary fashion. We are also responsible for ensuring that taxpayer dollars are spent in a responsible fashion. As much as possible the cost of administering a program should be kept to a minimum, ensuring that public dollars are directed toward helping Albertans in need of assistance.

8:30

Mr. Speaker, constant collective bargaining activities eat up important resources that could be better utilized if directed away from administration. Too often public resources are eaten up on annual collective bargaining. For example, the Lethbridge school district reached an agreement with the ATA on September 9, 2004, but the agreement was for less than a year. Both sides will now have to return to the bargaining table, consuming resources that would be better used in the classroom.

By laying a foundation for wage increases, we would be ensuring that all public service employees are treated equitably. Public servants, no matter where they live in the province, could count on a consistent method of salary evaluation. It is not fair for employees in one division to be given a double-digit increase while those in other divisions are given a small cost-of-living adjustment. Indexing salaries will also ensure that government employees' salaries grow at the same rate as their counterparts in the private sector. It is important in recruiting and retaining quality people to make a commitment to them. By indexing salaries, we can ensure that we do not lose employees to a wage gap between the private and public sector. As private sector salaries increase, so will government employees' salaries.

The motion also allows for there to be a salary adjustment every four years in order to keep up with the supply and demand pressures in the labour market. This is an important feature of this motion. It is important in Alberta that we do not lose teachers and nurses to other jurisdictions. Re-evaluating salaries every four years will ensure that our public service remains a competitive employer. Alberta has the highest paid teachers and nurses in this country, and this motion will help Alberta maintain this status.

The government salary structure should reflect the nature of the Alberta economy. The same principle, Mr. Speaker, governs how our salaries are determined. If Albertans on average are making more money, then MLAs' salaries increase. On the other hand, if Albertans' salaries are decreasing, then MLA salaries are adjusted accordingly.

The salaries of government employees should reflect the salaries of the private sector. When private-sector employees are getting 3 to 4 per cent increases annually, it is not fair for public-sector employees to receive a 14 per cent increase. I do not feel comfortable asking a hard-working Albertan who just received a 4 per cent raise to pay more in taxes in order to support a 14 per cent increase for a public servant.

The indexing of salaries will also help to ensure that departments and agencies are properly able to budget for expected salary increases. Every year in the budgeting process departments estimate the expected increase in employees' salaries within their ministries and agencies. Indexing salaries will increase the predictability of the wage increases and ensure that resources are not diverted away from programs to meet salary requirements. For example, let's say that a school board knows that their contract with the ATA expires in the upcoming year. They build into the budget a 6 per cent salary increase. However, the collective bargaining process leads to a 14 per cent increase in salaries. This development forces the school board to alter their budget and cut funding to other areas. Politics are then often brought into the discussion as complaints go out about funding levels and the like. If wages are indexed, these unexpected jumps will be eliminated.

Mr. Speaker, this motion allows for across-the-board salary adjustments after every election. Should the government or, for that matter, a member of the opposition feel that it is necessary to increase the salaries of our public servants, then it's important for that belief to be made public during the election. Indexing salaries in the manner outlined in this motion will help to increase the openness and transparency surrounding government salaries. I'm sure that even the members of the opposition will not argue with the idea of further increasing the transparency of government processes.

I would urge all members here this evening to endorse this proposal. The indexing of government employees' salaries will help to reduce administration costs and ensure that employees are fairly rewarded in a manner that is accountable and affordable to taxpayers. Mr. Speaker, when I was in business and whenever my employees would come to me and complain that I wasn't paying them what they were worth, I would agree with them because, you know, I could never pay them what they were worth, and I think that's the case with every valuable employee everywhere. However, we could decide on a salary that would make them happy and that was affordable for me, and the business would continue, and they would be able to support their families, and we would continue to supply parts in the fibreglass industry.

I would like to thank the hon. member for bringing this idea forward. I believe this will create good debate and creative thinking. Perhaps we can find a way of increasing salaries without having disputes every time the issue arises.

Thank you.

The Acting Speaker: The hon. Member for Cardston-Taber-Warner, followed by the Minister of Health and Wellness.

Mr. Hinman: Thank you, Mr. Speaker. It gives me great privilege to stand up and speak to Motion 512 this evening. We've had some very good debates, and many of the points I wanted brought up have been brought up. So I'll maybe just speak shortly. It's always difficult with a motion to know what the intent is, so I appreciate the hon. Member for Vermilion-Lloydminster sharing his thoughts on that. But I have a few questions in regard to that because I'm not quite clear on the intent still at this point.

One of my biggest concerns – the Member for Red Deer-North just brought it up – is that I'm not sure in the wording and from the different comments that have been made how it's actually linked, whether this is going to be just on government wages or linked with the private sector. So I have that in question. I think that it's something that we need to very cognizant of as elected representatives and government employees, that it really is the private sector that drives the economy. As was being pointed out, if in fact there's a 14 per cent adjustment in the cost of living for some outrageous reason a given year, the private sector doesn't always receive that and has to take the brunt of it. So I am concerned exactly how that average index is going to be, and I think that should be addressed.

Although the intent is very good and we always want to reduce conflict, I worry a great deal that passing legislation to say that this is the way it's going to be often causes the most ire in the worker, being told that you don't have that ability to bargain. That perhaps is my greatest concern, just the fact that we're trying to fit everybody into one box. There have been many different points brought up on the different levels and the type of work and the supply and the demand and all of those things. My greatest concern is the fact that by putting everybody in one box and painting it with the same broad brush, we're going to cause more distress and more, I guess, dysfunction in the market by trying to do that.

So at this time I will reserve my decision on this and continue to

listen to the debate that goes on, but I hope that we can come to a positive resolution on how to deal with the public sector and reward them for their diligent work and good labour.

Thank you.

The Acting Speaker: The hon. Minister of Health and Wellness, followed by Edmonton-Gold Bar.

Ms Evans: Thank you very much, Mr. Speaker. I'm going to raise just a few points. I think that studying the issue – and I'm not talking about ad infinitum but at least in a shorter period of time – would be a very valued opportunity for this government. One of the issues that I encountered when we were doing collective bargaining with teacher groups is that frequently collective agreements have a clause included which says that in no subsequent year should any salary be less than the preceding year. That would argue against those times when we were in a period of deflation unless, of course, the entire body covered by the collective agreement was in agreement with that.

There is another point that has been raised, I believe by a member of Her Majesty's third party, and that is the issue where we have the trilateral agreement for doctors that has quite a different parameter: an eight-year agreement with financial openers. A number of these kinds of agreements would perhaps be arguably not necessarily government employees but people who have been paid by the government either through special arrangements or contractual arrangements.

When I was in my previous portfolio, I remember quite clearly we had several people that were under a contract-managed system for delivering supports for children in care. Again, often there were imbalances between what the government workers were paid vis-a-vis the contract workers. I think that's an area that if we're looking at this, we can't look at one piece without looking at the broader scope. The contract workers were frequently not only in Children's Services but in Persons with Developmental Disabilities and other government groups asking for like-minded judgments.

8:40

While I admire the intent of what the hon. member has proposed, I think what would be responsible to do is see this motion considered by the government in the context of the future of not only labour relations but in the future of how we acknowledge contract people who are providing service, to see whether or not we are satisfied. The bottom line is that we are getting fair value for the dollars that are spent and quite specifically so Albertans are getting fair value for the dollars spent.

I'll reflect on one time when I was a school trustee. We had about 50 contractors driving school bus that owned the buses and paid the total expense, and they were given a certain quantity of money to cover their costs as well as deliver the children safely. The other 50 were employed by the school board. There was always a feeling that you could understand and harmonize the costs fairly well if you had both groups arguing for what they believed was fair compensation for the work that was done. There were mileage amounts paid in one circumstance, and in the other circumstances there was a straight salary that they were paid, acknowledging the length of the route and the time of the day. It worked well in that there was some form of tension that set up so that you weren't acknowledging one group exclusive of the other, but you were giving employees of a number of, I suppose, interests and capacities the chance to be employed but be compensated according to the effort they were providing. All in all, it's not a simple thing.

I would not quarrel with the intent of finding what seems to be a

reasonable labour adjustment, but we see what happens when we have wide disparities. For example, this year there was an acknowledgement after several years of the costs that would be appropriately paid to senior executives in government so that we wouldn't continue to lose them to the private sector.

In my municipal experience those swings were more easily adjusted to in the private sector than they are in government. I suspect that the year after the election, while it sounds tempting, was to protect the elected official from having to do that salary adjustment just before they went out and met the electorate. But what more honest time is there to do it and then to defend it rather than to do it the year after the election and hide under the shelter of that glow of joy which might emanate from some of your residents when you first were elected. I would rather see it as an adjustment that was made when those values were appropriately understood.

I think that in the first year, in my reflection, of my embarking on any task, just like the first year as minister of health, there's an incredible learning curve. You're not always prepared to make those decisions and understand those decisions. From my bitter and past experience I can see times when you think you might be acting with the best judgment on behalf of your constituents but might not know well enough just exactly how they feel.

A particular waterline comes to mind. When we decided that we had a better mousetrap for providing water in rural Alberta the year after a particular election, I was in an auditorium, a gymnasium, apologizing to some 750 people, profusely, I might add, so that I took my sorry carcass out of there in one piece. I thought we had a better idea for getting them water, and it was nothing that they had contemplated that we would do at the time of the last election.

All in all, I am encouraged that someone's bringing the issue forward for us to discuss. But I think that if I had my druthers about this motion, it would in fact refer to the whole issue of how we pay Albertans and how this government compensates Albertans, either through salary or contract arrangements or the many arrangements that are represented by almost everybody here in the government, and have a sober second and third look at it and take the motion for that face value rather than agree with any prescriptive formula for what we might do without having all of the rest of the pieces of the puzzle.

Thank you.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar, followed by Calgary-Bow.

Mr. MacDonald: Thank you very much, Mr. Speaker. It's with interest that I want to participate in the debate this evening on Motion 512, which is urging the government "to index the salaries of all government employees to the average weekly earnings index and provide salary adjustments based on supply and demand pressures within one year following a provincial election." Perhaps it would be easier to take this motion more seriously if we had fixed election dates, but to link this just like that to a provincial election is odd, to say the least.

Certainly, when we're talking about all government employees, one would just on the surface think that this is specifically for public servants employed directly by the government. If one looks, Mr. Speaker, at the annual report for 2004-2005 of the Alberta Department of Human Resources and Employment and you look at the distribution of staff by department, you would see that there are 23,197 employees employed in departments from Aboriginal Affairs and Northern Development right through to Sustainable Resource Development. You know, in Justice we have 2,200 employees. We have over 2,000, also, in Human Resources and Employment. We

have 2,600 in Children's Services. These are some of the larger departments. Infrastructure and Transportation.

If we were just to consider that these employees were to be affected by this motion, that would be different, but hon. members in this Assembly earlier in debate had talked about teachers and nurses. Certainly, the number of people that would be directly impacted by this would be significantly more if we were to take all the teachers across the province and all the nurses across the province and make them subject to this Motion 512.

I, like others, consider this a direct intrusion on collective bargaining. I don't see how this is necessary. We don't have a lot of labour disputes in this province, particularly with the civil service. However, there is a lot of work to be done with the civil service, and I think if we were to pass this motion tonight, it would send the wrong signal to our civil service.

Before I talk about that, I must say that I was surprised when the hon. Member for Red Deer-North talked about how this would make it easy, if we were to have this sort of system, for this government to stick to a budget. This government, we are led to believe if we supported this motion, could stick to a budget now that they would have this system of indexing. I would be surprised at that. One of the most difficult things for this government to do is to stick to any budget. It is my view that this is a government that is out of control with its spending. It is directionless.

Certainly, there are many areas where we need to have spending. There are a lot of things left to be done in this province after the Conservative debt has been paid off, but just to spend money for the sake of spending – and that is what's going on in some quarters today – is wrong. To say that an argument to support this would be, "Well, it would get us back on the right track, and we wouldn't be addicted to all this unbudgeted spending" is a stretch, to say the least.

8:50

Mr. Speaker, when we look at the age distribution of our civil service, the average age of permanent, salaried public service employees remained at 46 in 2004-2005. We're going to have to look at recruiting very quickly some younger people to the civil service. There's 37 per cent of the total staff in the age group between 45 and 54. To suddenly tell them, "Well, whatever limited collective bargaining you do have, we're going to take away" I don't think is going to be beneficial if we want to attract people to the civil service.

It's interesting, Mr. Speaker, that the average annual salary of permanent, full-time public service employees in 2004-05 was \$55,269, to be precise. If we look at the salary distribution of our public servants, 25 per cent are between the salary range of \$30,000 and \$39,000, and 22 per cent are between \$40,000 and \$49,000.

I don't think it would be fair to our civil servants to pass this motion tonight and tell them that they can no longer have what limited collective bargaining rights they do have, particularly in light of the fact that earlier this year we gave their bosses a 27 per cent wage increase without any public discussion. If we can be that generous with the top levels of the civil service, I think we have to be fair and generous to the remaining civil service.

I would like to also point out, Mr. Speaker, that it is interesting to note the location of public service employees. Sixty per cent are in and around the city of Edmonton. Maybe I shouldn't make that public. They'll either start laying them off or consolidate back to Coronation or somewhere like that. There's 59 per cent in the city of Edmonton, 13 per cent in Calgary, 6 per cent in Red Deer, Lethbridge has 3 per cent, and Grande Prairie has 1 per cent.

Now, there was an argument made at Public Accounts last week

that perhaps the Minister of Agriculture, Food and Rural Development should consider moving some of the public service outside the city of Edmonton to some of the rural areas where the ag offices had been closed in 2002. I'm certainly not opposed to that because many of the hon. members who are members of the Public Accounts Committee made very valid arguments when we had a brief discussion last week regarding the closure of those ag offices. It's quite interesting that naturally, Edmonton being the capital, the majority of civil servants are going to be located here.

We have to show confidence, as many people have stated previously, in our civil service. I don't think this motion would do anything to ensure that the public service cannot be suspicious about this government. I don't know if the hon. member has talked to the Alberta union of public employees about this motion, but I certainly would urge the hon. member to do so and recognize that we don't have a lot of disputes in this province as it is. I think we need to show confidence in our public service and respect for the work that they do.

Thank you.

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

Ms DeLong: Thank you very much, Mr. Speaker. I'm grateful for the opportunity to contribute to this important discussion on indexing public-sector wages. I would like to commend the Member for Battle River-Wainwright for bringing forward this motion, which is a good idea in so many respects.

Creating a fair way for public employees to be paid that eliminates the need for constant collective bargaining would save Albertans a lot of money because collective bargaining is expensive for the government, the union members, and the public in general. Also, if collective bargaining takes place in the year following an election as opposed to constantly, the government would be able to hire negotiators on a more ad hoc basis rather than keeping them as FTEs. These savings in tax dollars could be used for things that are of higher priority to Albertans than paying negotiators.

In addition to saving Albertans tax dollars, this idea would create a climate of stability in the province. This stable environment could then attract more business to the province as business owners always prefer to have operations in jurisdictions that are more predictable and where the government has a good relationship with its public-sector employees. By creating an environment where more businesses come into the province, we will also get the spinoff of the creation of more jobs and a more diverse economy, which is definitely a goal of this government.

Mr. Speaker, these are some of the ways such an idea would help the government. I know that the members opposite don't usually support an idea just because it helps the government. In fact, as we all know, this is usually the basis of their disapproval towards an idea. Fortunately, this idea will also help union members and the unions in several ways. In fact, the idea is win-win, which is, coincidentally, the definition of the most successful type of negotiation. Public-sector employees win because their wages are determined using a very equitable and predictable system. Furthermore, if wages do not have to be part of the collective bargaining process, the union could focus on fighting for better working conditions for nurses, smaller class sizes for teachers, and many other important issues that would benefit their members.

Recently there have been some articles in the newspaper about the possibility of paying bonuses to public employees. Just imagine how our health care might improve if, say, all health care employees got a bonus for lower wait lists, if they got a bonus for higher life expectancy, if the teachers got a bonus for every child that learned to read.

Currently an employee pays the union to fight for more money. Would it not be easier just not to pay the union and keep the money? On the other hand, an employee would likely have less of a problem paying union fees if the union fights for his or her rights as an employee, his or her working conditions, or anything else that's important to the job. What I'm saying is that this idea eliminates the need to negotiate the part of the collective agreement that is often most controversial and most political but usually not the most important.

I think that the majority of people who work in the public sector believe that they are paid fairly. This is not to say that wages have not been the issue in strikes in the past, but these issues have largely been eliminated over the years. In fact, for the most part Alberta's public sector is the highest paid in the country, so now would actually be the most beneficial time to introduce such legislation to make sure that these employees continue to be paid fairly.

Another reason why now is a good time to introduce such legislation is because wages are likely going to increase across the board due to anticipated labour shortages for the next decade at least. Also, as our economy expands and as more people retire, this trend should continue for many years to come. With this reality, public-sector employees would likely see a rising trend in their wages using this method, whereas the union is limited as to how much it could negotiate wages as wages are usually only one bargaining chip amongst the many. The way bargaining goes, you have to give up something to gain something because you can't get it all, so choices might have to be made between working conditions and wages. One simply has to be chosen over the other, and this is the reality. It's so much better for all parties involved to eliminate this aspect from the negotiating table.

9:00

The Acting Speaker: I hesitate to interrupt the hon. Member for Calgary-Bow, but under Standing Order 8(4), which provides for up to five minutes for the sponsor of a motion other than a government motion to close debate, I would invite the hon. Member for Vermilion-Lloydminster on behalf of the hon. Member for Battle River-Wainwright to close debate on Motion 512.

Mr. Snelgrove: Thank you, Mr. Speaker, and I thank all the hon. members for participating in tonight's discussion. I'll try and answer some of the questions as best I can from the documents that the hon. Member for Battle River-Wainwright has produced.

Who does it cover? I would say quite clearly: if you're under the budget that we approve here in the spring, you'd be covered. It wouldn't include the Treasury Branch; it wouldn't include other corporations that are arm's length, but I think his intent was to include teachers, nurses, everyone in this government from top to bottom.

It is somewhat interesting that we talked about collective bargaining in government. It really doesn't exist when you give a union, that we know we have to work with and that has to deal with a department that has a limited budget, collective bargaining. That's not exactly how it was intended to be. Companies that are involved in collective bargaining have options with the employees that they work with. They can move their factory to Mexico if they want. The employee can go work for the neighbour if they want. Quite frankly, Mr. Speaker, in this country you are going to deal with your unions with a reasonable hand, and that's what's happened, but to call it collective bargaining I think is a little bit of a stretch.

I think that if we had this motion that said, "We would be willing as a government to index the salaries if that's what you wanted," we'd be surprised in here if we went to our employees and said:

would this be something that you would like to see to take the confrontational part of collective bargaining, so to say, out of it? We would like to guarantee you at least the same raises that the MLAs get. The raise you get is what your boss is going to get, is what anyone working maybe below you on the pay scale is going to get. I'd like to ask them: would you like to accept this as a starting point? Every four years we'll sit down with an independent group and have a look at: have we kept up with the demand required? Have we kept pace with the private sector? Are the classroom conditions okay? If it's within that scope, we proceed, and if it's not, you negotiate a settlement that would reflect the current-day conditions. Then you have labour peace for four years hence.

Mr. Speaker, I think we need to look at this not as a way to beat down or to hold back our public-sector friends. It's to say: what would make your job more comfortable? How would you like to approach the next four or five years knowing that you've got an agreement, that you've got a raise that's fair? In this House we receive a raise, and we'll negotiate things outside of that part of the agreement every four years. I think most of our employees would like that stability, I think the public and taxpayers would like that transparency, and I think it gives us another tool to dialogue with our employees.

Once again, I want to thank the speakers and look forward to the vote. Thank you.

[Motion Other than Government Motion 512 lost]

head:

Government Motions

Chief Electoral Officer Search Committee

25. Mr. Zwozdesky moved on behalf of Mr. Hancock:

Be it resolved that

- (1) A Select Special Chief Electoral Officer Search Committee of the Legislative Assembly of Alberta be appointed consisting of the following members, namely: Mrs. Tarchuk, chair; Mr. Ducharme, deputy chair; Ms Blakeman; Mr. Flaherty; Mr. Griffiths; Mr. Lougheed; Mr. Marz; Dr. Pannu; and Mr. Strang for the purpose of inviting applications for the position of Chief Electoral Officer and to recommend to the Assembly the applicant it considers most suitable to this position.
- (2) The chair and members of the committee shall be paid in accordance with the schedule of category A committees provided in the most current Members' Services Committee allowances order.
- (3) Reasonable disbursements by the committee for advertising, staff assistance, equipment and supplies, rent, travel, and other expenditures necessary for the effective conduct of its responsibilities shall be paid subject to the approval of the chair.
- (4) In carrying out its responsibilities, the committee may with the concurrence of the head of the department utilize the services of members of the public service employed in that department and of the staff employed by the Assembly.
- (5) The committee may without leave of the Assembly sit during a period when the Assembly is adjourned.
- (6) When its work has been completed, the committee shall report to the Assembly if it is sitting. During a period when the Assembly is adjourned, the committee may release its report by depositing a copy with the Clerk and forwarding a copy to each member of the Assembly.

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

Mr. Zwozdesky: Thank you very much, Mr. Speaker. It's my pleasure tonight to move on behalf of our Government House Leader Motion 25. I won't read it all, but it goes on to talk about the schedule of pay for the committee, the reasonable disbursements of the committee, the utilization, with permission, of the services of members of a particular public service. It comments on the sittings of the committee and the reportings of the committee.

I would just point out, Mr. Speaker, that members from all recognized parties in the Assembly – MLAs, that is – will be on this committee, and I would also note that this particular committee would become, effectively, a subset, so to speak, of the Legislative Offices Committee. That Legislative Offices Committee, as we all know, is comprised of 11 MLA members from the House, and nine of those same members will also be on this new Select Special Chief Electoral Officer Search Committee of the Legislative Assembly of Alberta.

So with that, I would move that motion, and I look forward to the support of other members present.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. Certainly, regarding Motion 25, which is essentially a search committee to find a new Chief Electoral Officer for the province with the retirement of the current officer, this is a very important post, and I think the province has been served well in the past. Committees in the past I think have been very wise in their selections, but we can't overlook just how important this office, the office of the Chief Electoral Officer, is. There are 10 employees there. They work not only during the election year but, of course, every year, and they quietly go about their business of preparing for the next general election.

Certainly, the role that the Chief Electoral Officer plays is important. The independence of this office is so important so that each party, each candidate is treated fairly. It would be this member's view that each candidate from each respective party has been treated fairly in the past, and this has to continue. When we look at the whole electoral process and the role the Chief Electoral Officer plays, again this is an important role, but that individual, whether he or she, when they are selected, of course, must follow the electoral map, which is, again, determined by another committee.

With this in mind, Mr. Speaker, I would like to remind all hon. members of this Assembly how the city of Edmonton was short-changed, shortchanged not by the Chief Electoral Officer but by the commission that was struck to change the electoral boundaries. Hopefully, the city of Edmonton will not be shortchanged in the future, and we won't see a government or a Progressive Conservative dominated committee removing a seat, a voice for the city of Edmonton unnecessarily from this Assembly. That is, unfortunately, what happened with Edmonton-Norwood. Unfortunately, that commission took an eraser to that constituency, and as a result the city has one less representative.

9:10

Under this motion, Motion 25, when they get together, they do a search, and they do select a new Chief Electoral Officer. I wish that person well. This process, as we know it, of course, is going to be dominated by members of the government. I would like to urge them to consider, when they make their selection, not only rural Alberta's needs but the needs of Calgary, the needs of Edmonton, the needs of northern Alberta and southern Alberta. I hope they find a suitable candidate. I wish them well in their deliberations, and hopefully the person that is selected will have a much different

electoral map to work with under the second election, that they hopefully will have the opportunity to administer.

Thank you.

The Acting Speaker: The hon. Deputy Government House Leader to close debate?

[Government Motion 25 carried]

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

Bill 51
Appropriation (Supplementary Supply) Act,
2005 (No. 2)

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

Mr. Zwozdesky: Thank you, Mr. Speaker. It's my pleasure on behalf of the Minister of Finance to move for second reading the Appropriation (Supplementary Supply) Act, 2005 (No. 2).

In doing so, I would just note that this bill is obviously extremely important, I think, to all Albertans because so many – in fact, I would think almost every ministry is referenced within it. In particular, the Ministry of Education, which I'm privileged to represent, has a request here for over \$75 million that is very much needed in the school system at this time. There are other ministries that are also asking for additional monies, all for very important programs and/or services that I think Albertans are waiting on, and I would hope that all members would therefore support second reading of Bill 51.

On that note, I would ensure that it is now moved at second reading.

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

Mr. Agnihotri: Thank you, Mr. Speaker. It's my great honour to rise and speak to Bill 51, Appropriation (Supplementary Supply) Act, 2005 (No. 2). I want to ask some general questions on the supplementary estimates of Community Development. I'll start with 2.2.1, community service grants of \$5.5 million. This grant was allocated to a movie based on the First World War battle of Passchendaele. My question is: what were the conditions of this grant? Will the contract of this grant be made public? If not, why not? Is Mr. Gross obligated to ensure that Alberta's artists and actors are hired to take part in this movie production? If not, why not? What percentage of the cast and the crew will be local? Will this film be produced in Alberta?

Will the Premier or the Minister of Community Development be personally credited in the production of this movie? What exactly was the grant process? Did this process violate the guidelines that other Alberta artists must abide by? Has this been a project that the government has known about for some time? If so, why wasn't it budgeted for? How many times did Mr. Gross meet with the minister and the Premier? Did Mr. Gross contact the minister, or did the minister pursue Mr. Gross to offer him this part? Did the minister consult with any stakeholders before granting this money to Mr. Gross? Is the minister or the Premier willing to arrange personal meetings with other Alberta artists to discuss their projects? Is any minister or MLA sitting here or the Premier getting any role in this particular movie? If not, let me know. I'm interested.

I move to 4.1.4, Historic Sites and Cultural Facilities: a grant of \$500,000.

An Hon. Member: You're a star to me already, Bharat.

Mr. Agnihotri: Already? Okay.

**Point of Order
Second Reading Debate**

Mr. Zwozdesky: I wish to rise on a point of order under *Beauchesne* 640(2). Not to interrupt the hon. member unnecessarily, but I just would remind people that we are in second reading, hon. member, and the purpose of this stage in debate “is primarily concerned with the principle of a measure. At this stage, debate is not strictly limited to the contents of a bill as other methods of attaining its proposed objective may be considered.” However, this stage is the point at which we don’t get into any of those details such as you’re asking for. You’re certainly welcome to raise those kinds of questions if you wish and if the chair permits it when we get to the committee stage. Right now I would ask the chair to just remind all members, including the previous speaker, that second reading really deals with the principles contained in the bill and not so much the specific questions that you’re looking for answers to.

The Acting Speaker: I presume you are not rising on a point of order, but just some clarification.

Mr. Zwozdesky: Clarification.

The Acting Speaker: Hon. members, this chair has given a lot of latitude to a number of members who have spoken in this Assembly over the last number of years that I have been an acting chair. It’s good advice from time to time to read *Beauchesne*, read our Standing Orders, and learn about the procedures of the Assembly.

Hon. member, I hope you’ll have some time somewhere along the line to read a little more about *Beauchesne* and some of the rules of the debate. At this time the chair has recognized you, Edmonton-Ellerslie, and you may proceed.

Mr. Agnihotri: Okay. Now, I move to page . . . [interjections]

The Acting Speaker: Hon. member, just so I can clarify once again, when we are discussing a bill at a second stage, we talk about the general principles of the bill. We do not talk about the clauses of the bill. That’s something we deal with at committee stage. So we talk about the principles of the bill: do we move it forward or not? That’s generally supposed to be the discussion at second reading. However, from time to time members do stray away from it. So it’s just a word of advice to you to stick with the principles of the bill.

Debate Continued

Mr. Agnihotri: Okay. I pass.

The Acting Speaker: Hon. Member for Edmonton-Ellerslie, the chair has recognized you. You may finish whatever you had wanted to say. It’s okay. Go ahead.

Mr. Agnihotri: No. I understand, but I will ask a few questions maybe in the next stage.

The Acting Speaker: Okay. Good. Thank you.

The hon. Member for Edmonton-Gold Bar.

9:20

Mr. MacDonald: Thank you very much, Mr. Speaker. It’s a pleasure to get this opportunity to debate Bill 51. Certainly, we were talking earlier this evening about government spending that many

consider out of control. We have this schedule of amounts to be voted line by line, and there’s a significant amount of money here. Certainly, when we look at Agriculture, Food and Rural Development, we’re looking at \$288 million in additional money there. We’re looking at Children’s Services and, as the hon. Member for Edmonton-Ellerslie was talking about, Community Development, including money for a movie on World War I. I think that there are many members of the government caucus who would be suitable characters for a sergeant major in those World War I battles. [interjection] No, I wouldn’t be. I would prefer to have the job as a sniper.

**Speaker’s Ruling
Addressing the Chair**

The Acting Speaker: Just a few minutes ago there was a little advice given that we have to follow procedures that I established in this Assembly. The hon. Member for Edmonton-Gold Bar has the floor, and the accepted practice is that he would be speaking through the chair and not to other members in the Assembly. So I think it is fair to allow members who want to speak the opportunity to speak without being interjected.

The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you. I appreciate that, Mr. Speaker.

Debate Continued

Mr. MacDonald: Now, this bill could be one of those roll-out-the-barrel bills because the good times are here with this government. We’re not going to follow any budgeting logic with this, but we’re certainly going to spend significant amounts of money.

Now Seniors and Community Supports. There’s over \$100 million here, Mr. Speaker, that is being allocated in this bill. I don’t know if this government has taken the time to have a look at the second part of the Auditor General’s report for May of 2004. This report of the Auditor General is on seniors care and programs. There certainly is a need for adequate funding for Seniors and Community Supports. It is inconceivable that some seniors, particularly those in long-term care facilities, are not getting the time and the attention that their medical condition demands. Our system is failing them.

Now, when we look at this amount of money and we look at some of the recommendations that the Auditor General listed in this extra report, the Auditor General makes this recommendation 6.

We recommend that the Department of Health and Wellness and the Department of Seniors and Community Supports establish standards for care and housing services provided in assisted living and other supportive living settings.

Has this been done?

We can go on here a little bit further. Now, we’re talking about spending over \$100 million, Mr. Speaker. In recommendation 7 the Auditor General is recommending that the Department of Seniors and Community Supports

1. update the Seniors Lodge Standards and implement a process to maintain them;
2. improve its systems to monitor management bodies’ compliance with the Seniors Lodge Standards.

It also states in here that there is voluntary compliance with seniors lodge standards, that seniors lodge standards in some cases look like they are “out of date,” and there is “no system to monitor compliance,” again, with seniors lodge standards. There are a lot of other recommendations in here for seniors, but there are certainly discussions on the audit findings and recommendations on the effectiveness of the Alberta seniors’ benefits program.

Now, I know that I didn't have an opportunity, Mr. Speaker, and I don't know if other hon. members of the Assembly had an opportunity before this to discuss this supply budget for the Department of Seniors and Community Supports. Certainly, the Auditor General has got his eye on the Alberta seniors' benefits program and is recommending that "the Department of Seniors and Community Supports improve the measures it uses to assess whether it is meeting the objective of the Alberta Seniors' Benefit Program."

The Auditor General notices that the department's goal for the Alberta seniors' benefits program is: "Seniors in need have access to financial supports that enable them to live in a secure and dignified way." Now, we have to make sure that all our seniors are able to live in a secure and dignified way. There always has been this issue around the Alberta seniors' benefits program, Mr. Speaker, about forcing seniors to go cap in hand to a government that likes themselves to be benevolent but does not necessarily live by the rules that they want others to live by.

This government is the same group that imposed a significant fee hike on residents of long-term care facilities, and that fee hike was to go to improve services and improve the lives of the individuals who were in those facilities. I know that that hasn't happened. It was late May when this report became public, and I don't know how much of this has been heeded by the Department of Seniors and Community Supports. Before this Assembly we're asking for a lot of money, but have the recommendations from the Auditor General been taken seriously?

Now, the Auditor General travelled extensively in the province. He visited all nine regional health authorities. He had quite a look around, and he had a lot to say about what he saw. The government disappoints me because to date they have been silent. They have been completely silent on what they're going to do with these recommendations. We're in a land of plenty; there's no doubt about that. A lot of money can hide a lot of incompetence.

An Hon. Member: Does this mean we should pay you more?

Mr. MacDonald: No.

This government has been throwing a lot of cash at some problems, but the problems, unfortunately, Mr. Speaker, are still there. I hope that this money will go a long way towards improving the conditions that have been outlined in the report by the Auditor General. I hope that his advice has been heeded and that this money will be well spent and that it will be well spent where it's needed, not on a computer program, not on a delivery system, but on front-line service.

9:30

Now, Mr. Speaker, when we also look at Agriculture, Food and Rural Development, the majority of this money I would assume would be going into the CAIS program, but I notice where there has been a significant increase in the number of BSE tests completed in Alberta under the Canada/Alberta BSE surveillance program. The target that was set for 2004 we were slow to reach, but certainly I think a lot of progress has been made. In 2005 between the Alberta Agriculture, Food and Rural Development lab in Edmonton and the Canadian Food Inspection Agency lab in Lethbridge there have been carcasses – or I wouldn't think it's the total carcasses, but the tests for BSE to date have exceeded 24,000. That would be more than double the target that was set. I'm very interested to know if there are any additional amounts in this bill that are needed for those BSE testing programs.

Also, in this amount – and I spoke about this earlier, Mr. Speaker,

and I'm going to bring it up again – is any of this money going to be used for another farm fuel allocation allowance? The minister is shaking his head. I think in light of these high fuel prices and the fact that this program has not been reviewed, as my research indicates, going back into the early '90s, this program should be adjusted to reflect the high cost of diesel. There's still room to work on this program because if you look at the farm fuel allowance of about \$33 million, that hasn't changed. [interjection]

The hon. minister of agriculture wants to blame the feds again. That's something the feds will have to work out, and this is an ideal opportunity during this election campaign for him to voice that opinion. But let's show some leadership. Let's review this because when this fuel distribution allowance was set, a litre of diesel was probably half if not less than half what it costs a producer now. Producers from all across the province are telling me that after fertilizer, electricity and fuel costs are two and three on their lists of, as the hon. Member for Edmonton-Manning likes to say, input costs.

The hon. member was up in the Peace district over the weekend, and he met with hundreds of farmers there, Mr. Speaker. It will be interesting to hear what they told him in regard to the CAIS program and whether it's working or not and what is working in that program and what is not working.

Mr. Speaker, when we look at the supplementary supply, we've always got to remember that this bill will add to the government's spending above what was originally planned in the budget. When we look at this total amount of \$1.5 billion that's an increase in voted expense and equipment/inventory purchases, and we also have a \$234 million increase in voted capital investment and a \$5 million increase in voted lottery fund payments, that's a significant amount of money, and we are at this time able to do that because of high resource royalties. [Mr. MacDonald's speaking time expired] I'm disappointed that my time has expired.

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

Mr. Bonko: Thank you, Mr. Speaker.

The Acting Speaker: I'm sorry. Because Edmonton-Gold Bar had sat down, the chair forgot to ask. Standing Order 29(2)(a): any questions or comments for the hon. Member for Edmonton-Gold Bar? The hon. Member for Edmonton-Manning.

Mr. Backs: Thank you, Mr. Speaker. I'm very interested in the comments that the hon. Member for Edmonton-Gold Bar put forward on the Canadian agricultural income stabilization program and the difficulty that many farmers look at it as some sort of glorified disaster and welfare program that doesn't really meet their needs and is excessively bureaucratic and problematic for the operation of their businesses. I wish the member could comment on that.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I would like to thank the hon. member for the question. Certainly, there is a need for a support program for producers in this province. The CAIS program is split on a 60/40 basis with the feds. It would be certainly within reason in this appropriation Bill 51 that some of the amounts of the \$288 million are going to be used for supporting the additional amounts that the hon. minister announced early last week. I believe it was \$224 million.

However, I was astonished to see in the financial statement from

the Alberta Agriculture Financial Services Corporation where there was a carry-over of \$105 million in overpayments and advances, I believe, in the CAIS program. I was hoping to get that clarified with the hon. minister. I hope that this is a carry-over from the CAIS year of 2003, that this has just come forward with the Alberta Agriculture Financial Services Corporation, and that almost half of that money that we are discussing here would be used to take care of those overpayments in previous CAIS years. This is one way around that problem.

Farmers and other producers tell me that they are really frustrated with the program when they get a notice that they do have an overpayment and they have to pay it back. Their accounts will be credited, but I think we could manage the CAIS program better.

There seem to be some long turnaround times. Some of the accounting community also express frustration with the amount of time before a file is processed. Again, hon. member, this gets back to what we were discussing in Public Accounts last Wednesday. I guess it's easy to point fingers, but many people feel that the regional office . . .

The Acting Speaker: Hon. member, brief questions, brief comments.

The hon. Minister of Justice has a question for you.

Mr. Stevens: When the time comes, Mr. Speaker, I wish to move that we adjourn debate on Bill 51, so if there's somebody else who wishes to ask the hon. member a question.

The Acting Speaker: Sorry. Anybody else have a question or comment? The hon. Minister of Agriculture, Food and Rural Development.

Mr. Horner: Thank you, Mr. Speaker. Just a comment on some of the quite frankly uninformed, by the sounds of it, comments that have been coming from across the way with regard to not only the CAIS program but also some of the other Ag portfolio items that were brought up. Yes, hon. member, it is a 60/40 cost-shared program with the federal government. Unfortunately, after repeated attempts to have them participate in the pilot with us, they did not. They decided instead to spread the money to the wind in an ad hoc payment, which most producers do not want to see this ag industry go to.

9:40

Secondly, when you talk about the \$105 million advances, I would ask you to check with *Hansard* and my answers to you that evening. I did explain where those came from, and they were from '03. I agree that there is a lot of frustration with the program, hon. members, which is why we are putting so much effort into trying to get a national program. Remember: it's a national program. We don't set all the rules. They're set by consensus amongst all of the provinces. We are, actually, if you check with the largest farm accounting firm in western Canada, at the head of the pack in terms of making good changes to the program.

The Acting Speaker: The hon. Minister of Justice and Attorney General.

Mr. Stevens: Thank you, Mr. Speaker. I move that we adjourn debate on Bill 51.

[Motion to adjourn debate carried]

head:

Private Bills Second Reading

Bill Pr. 4

Brooklynn Hannah George Rewega Right of Civil Action Act

The Acting Speaker: The hon. Member for Peace River.

Mr. Oberle: Thank you, Mr. Speaker. I'm most pleased and honoured tonight to move second reading of Bill Pr. 4, the Brooklynn Hannah George Rewega Right of Civil Action Act.

This bill has been recommended to us by the Standing Committee on Private Bills, and as members are aware, it covers much of the same topic area as Bill 45, which is currently being contemplated by this House, except that it addresses a specific family that finds itself in a situation as a result of a car accident on December 31, 2000. Brooklynn Hannah George Rewega was born with severe injuries as a result of that car accident, and she has no right of action because of a Supreme Court ruling. This is the only family in Alberta that finds itself in this situation, in the gap between the Supreme Court ruling in 1999 and the current public legislation.

It should be clarified, Mr. Speaker, that the family, through the forwarding of this bill is not asking that we find negligence or determine liability or award damages; they're asking for their right to have a cause of action to seek compensation to address her significant care needs. With changes recommended in the Private Bills Committee, which I will table at the appropriate time, Bill Pr. 4 will be entirely consistent with public Bill 45.

Mr. Speaker, I'm proud to move second reading on this bill, and I would humbly encourage all members to support it. Thank you.

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

Mr. Agnihotri: Thank you, Mr. Speaker. It's my great honour to rise and speak to Bill Pr. 4, Brooklynn Hannah George Rewega Right of Civil Action Act. The purpose of this private bill is to provide compensation for a child born with injuries from a motor vehicle accident occurring prior to birth as a result of the negligent driving of his or her mother. When and if the child is born with injuries, the cause of action can be commenced and the claim for the damages can be made.

This particular case, famous as the Rewega case, arose from a motor vehicle accident that occurred when the mother of the child was in a single-vehicle accident on December 31, 2000, near the town of High Level. Four months following the accident a girl was born with cerebral palsy. This is a very serious, sensitive, and touching story. The father and legal guardian of the girl then presented application to the government requesting a bill be passed to allow her, through her legal guardian, the right to bring or maintain a civil action in the courts against her mother for compensation for the injuries that arose resulting from the accident.

Under the present federal law an unborn child is not a person and therefore not the subject of rights and duties. A pregnant woman and her unborn child are considered to be one entity. This has since been called the born alive rule. The fetus has no status. Consequently, a pregnant woman cannot owe a duty of care to her fetus anymore than she can owe a duty of care to herself.

It is logical to assume that this bill could easily be challenged under section 15, equality rights, of the Canadian Charter of Rights and Freedoms. Even with the specific exceptions to allow this type of duty of care to apply only to a motor vehicle accident, it is still subject to the provisions of the Charter. The argument can then be made that placing this burden of care upon pregnant women that is

not applied to women who are not pregnant or to men infringes upon the equality rights of women.

In this particular case there are a few things I want to discuss tonight. Section 634 of the Insurance Act clarifies that if Brooklynn Rewega, the girl, was successful and did get a judgment in her favour, the only way she can enforce that judgment is against the insurer. She cannot enforce that judgment against the mother personally. My firm belief is that it is a social problem, and it is the responsibility of the government to take care. The mother is a giver, and she must have respect and trust. History is the record: a mother always does her best to grow her child. Forcing her or stopping her against her wishes is a violation of her fundamental rights. The rights of the woman or any individual must be protected. She must have freedom of choice, and we all trust her decision.

How can we make sure that the passing of this bill doesn't open the door for other cases? For example, after we pass this legislation, lawyers will get examples of this bill and litigation will start coming. The government must recognize that this issue is very complex and contrary to the Supreme Court of Canada. The legislation must be in clear and precise language and may not lead to many lawsuits. The legislation is not clear about women who are not aware of their pregnancy. Passing of this legislation may upset some parents who have children living with a disability.

The sponsor of this bill supported his case without providing sufficient evidence to support those generalizations. We cannot compare England, for example, with Alberta. They have better social programs than this province. Why do we have private and public bills represented in this legislation? Why is the government shifting responsibility to insurance companies? Who will be paying higher premiums? I think it's you and me. We are the taxpayer. We will pay more premiums if we pass this legislation.

The intention of this government is very clear. They are showing their true colours. This is a social problem, and they must deal with this accordingly, not by shifting responsibility to insurance companies, not by opening the door for other similar cases. Who will suffer? It's the taxpayers again: you and me. Think about it. I won't support this bill.

Thank you very much.

9:50

The Acting Speaker: Hon. Member for Foothills-Rocky View, do you want to participate in the debate?

Dr. Morton: Please. Thank you, Mr. Speaker. It's with pleasure that I rise today to continue the debate on Bill Pr. 4, the Brooklynn Hannah George Rewega Right of Civil Action Act. This is an important piece of legislation that needs to proceed in order to ensure justice to a young Albertan and correct yet another poor decision of the Supreme Court of Canada.

I begin by reminding my colleagues that this bill is about restoring a right that has long existed in Canadian tort law. Two principles have formed the basis for all arguments that have been made in support of allowing children to sue their mother for damages that occurred in utero. In Canada for the past 80 years tort laws held that a child does have the right to sue negligent third parties for injuries that are sustained prior to birth. The leading precedent for this claim was the Supreme Court ruling in *Montreal Tramways vs. Leveille*. In this case the plaintiff successfully sued for prenatal injuries when his mother was propelled from a tram car due to the driver's error.

The second principle is that this first principle also applies to parents. In Canadian tort law parents have not enjoyed immunity from negligence lawsuits brought against them by their children.

For example, children have been allowed to sue their parents for damages caused from parental sexual abuse.

It is these two principles that have formed the basis of the common law surrounding the issue of children being able to sue for damages sustained in utero.

In the 1998 case of *Dobson versus Dobson* the Supreme Court ignored and overruled these precedents. In the *Dobson* case Cynthia Dobson was involved in a motor vehicle accident which seriously and permanently injured her son Ryan, whose premature birth was the result of this accident. In this case the trial judge employed the precedents and line of reasoning that I've just recited and justified his ruling that the infant, Ryan Dobson, could in fact sue his mother for the injuries she caused him before his birth. The New Brunswick Court of Appeal, citing the same precedents, upheld the trial judge ruling.

Mr. Speaker, although both the trial judge and the appeal court judge ruled in favour of Ryan Dobson following 80 years of precedents, the Supreme Court did not. The Supreme Court declared that allowing a child to sue their mother for injuries that occurred prebirth would constitute too much of an intrusion on the lives of pregnant women and would be a violation of their so-called right to privacy, a term that appears nowhere in the text of the Charter and is yet another example of judge-made law.

In sum, Mr. Speaker, the Supreme Court of Canada removed a right that had been clearly identified in common law. Fortunately, however, the Supreme Court did not completely close the door on this issue. In his decision for the Supreme Court Mr. Justice Cory stated:

If, as a society, Canadians believe that children who sustain damages as a result of maternal prenatal negligence should be financially compensated, then the solution should be formulated, after careful study and debate, by the legislature.

That's what we are doing here this evening. Not only did the Supreme Court leave the door open for legislative action on this policy issue but invited us to walk through it and re-establish a proper balance between the interests of mothers and the interests of children. The remedial legislation proposed in Bill Pr. 4 strikes this balance.

It is also an example of what's called Charter dialogue: a dialogue between courts and Legislatures. Canada's leading constitutional scholar, Professor Peter Hogg, of Osgoode Hall Law School, has praised the Charter dialogue as striking a proper balance between courts and Legislatures, between unelected judges and elected representatives, in deciding where one right ends and another begins. Professor Hogg says that this sharing of Charter development is what democratizes the Charter and makes it acceptable to our system of responsible government.

Mr. Speaker, the people of Alberta did not send us to this Chamber to act like beaten dogs and to slink away and do nothing every time the Supreme Court oversteps its mandate. Certainly, Albertans have a right to expect their elected MLAs to exercise this delegated power responsibly, the power to make laws for Alberta. This is what Bill Pr. 4 does.

If we look into the past, we see that Brooklynn Rewega had this right before the *Dobson* case, and thanks to Bill 45, the Maternal Tort Liability Act, we see that similarly situated children will have this right in the future. What Bill Pr. 4 does, Mr. Speaker, is simply fill in the gap, fill in the legal loophole and ensures that Brooklynn Rewega will have the same rights, equal rights, as the children that came before her and the children that come after her. Surely, this is simple justice.

I encourage all hon. members to support Bill Pr. 4. Thank you, Mr. Speaker.

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

Mr. MacDonald: Yes. Thank you, Mr. Speaker. The hon. member in his remarks talked, of course, about elected officials to this Legislative Assembly and others. Does he also consider that judges should be elected and not appointed?

The Acting Speaker: Hon. Member for Foothills-Rocky View, do you want to comment?

Dr. Morton: Well, just to make the obvious point. I made no comment about electing judges. In fact, it's the balance. This Charter dialogue is the sharing of institutional responsibilities: elected Legislature and the unelected and therefore more independent judges. It's the sharing of Charter development that Professor Hogg and other constitutional scholars have described as Charter dialogue and encouraged as a democratic way of developing our rights and freedoms.

The Acting Speaker: Any other questions or comments?
The hon. Member for Edmonton-Rutherford.

Mr. R. Miller: Thank you very much, Mr. Speaker. I'll keep my comments brief. I think most of what I would have wanted to say in regard to Bill Pr. 4, the Brooklynn Hannah George Rewega Right of Civil Action Act, I managed to get on the record when we spoke to Bill 45 the other evening, the Maternal Tort Liability Act.

I would like to just point out how ironic I find it that this government, which prides itself in waving the flag of less government and staying out of people's lives, has now managed in the same session of this Legislature to pass legislation that removed the legal right of an entity to sue. In fact, it was a company that was involved in a lawsuit with the government. I love the terminology. That particular lawsuit was extinguished, as a matter of fact. That's certainly Big Brother, the heavy hand of government stepping into rights, and it raised a lot of concern for a lot of Albertans and a lot of corporations across the country that do business in Alberta. Now we have a situation where we're about to pass a piece of legislation, notwithstanding all of the honourable goals that we're trying to achieve here for the Rewega family, that will allow a lawsuit to take place where currently the legislation would not allow it.

I do find it quite ironic that the heavy hand of government can sort of step in at will when it's deemed appropriate and either extinguish a lawsuit that is currently under way or in this case allow one that would not otherwise have been allowed to take place.

Thank you.

The Acting Speaker: Standing Order 29(2)(a). Any questions or comments?

Hon. Member for Edmonton-Strathcona, do you want to participate in the debate? You are recognized.

10:00

Dr. Pannu: I want to say a few words.

The Acting Speaker: Yes.

Dr. Pannu: Thank you, Mr. Speaker. I'll be very brief. I want to speak to Bill Pr. 4, Brooklynn Hannah George Rewega Right of Civil Action Act. I was on the Private Bills Committee when this matter came before the committee of this House I think last year sometime. We had some extensive discussions in that committee

with respect to the request that came forward in the form of Pr. 4 before that committee. Many matters were raised, and they remain as a matter of concern to me as we're proceeding with this bill. Not only with this, but then Bill 45, which is the Maternal Tort Liability Act, is before this House too. So both of these bills now in a sense extend the debate that took place in that committee.

While Pr. 4 is a specific case dealing with creating the ability, I guess, of Baby Rewega to proceed with the right of civil action against her mother, it does raise broader questions about the relationship between children and their parents, particularly when they are still in utero. The fetal rights issue was one that importantly figured in that committee debate. Now, this matter, especially Bill 45 in conjunction with this bill, can I think open a whole series of new questions about what happens when a mother smokes when she's pregnant and about the damage that may result to a baby to be born when a mother has been smoking or the mother uses alcohol while she's pregnant and that does damage the baby and results in some disabilities. What happens then? And on and on and on.

You know, we could go on to open this Pandora's box, where we haven't really given thoughtful consideration to all these possibilities that may spring from us having taken this legislative action that we're called on to take. We may find ourselves returning to address these unexamined questions, questions that remain unaddressed today, and say: well, we made a mistake. I think this debate begs so many important questions that in my view we ought not to proceed with this with the haste with which we are proceeding.

There is a remedy, I think, in the Pr. 4 case. I think the right of civil action will allow this baby to sue the mother for the auto insurance coverage, the third-party coverage, I guess, that the mother carries, so there's public liability. There are limited assets that can be subject to this civil action in any case. I'm sure that we as government have the capacity to address the needs of this particular child rather than opening this whole larger issue which raises so many questions which require a more thorough and detailed debate, which this session and this sitting in my view do not allow.

So I am very concerned about us proceeding quickly with this bill and Bill 45. Given those reservations that I've expressed before and have tried to put very briefly before the House today, I would find it very difficult to support this bill. Thank you.

The Acting Speaker: Standing Order 29(2)(a). Any questions or comments?

Anybody else wish to participate in the debate?

The hon. Member for Peace River to close debate.

Mr. Oberle: Thank you, Mr. Speaker. I'm pleased to rise with just some brief comments to close.

First of all, in response to the Member for Edmonton-Ellerslie, Mr. Speaker, we've covered this ground significantly. While the member's understanding of fetal rights in Canada or the situation of fetal rights in Canada may be correct, his application of it to this situation is not. Evidence of that is that a child that is born with such injuries that were suffered prenatally can currently under Canadian law sue another member of his family or a third party. It's only mothers that are currently immune from this tort liability.

In response to the Member for Edmonton-Strathcona, again, about the extension of this legislation wandering into other areas of alcohol abuse or anything else, the government is acting upon the direction and the invitation of the Supreme Court of Canada, and this legislation by their direction is strictly limited to incidents of car accidents. The Supreme Court themselves said that it would be impossible to argue by analogy that this exemption could be extended into other tortious situations.

With those comments, Mr. Speaker, I would be happy to close and call the question.

[Motion carried; Bill Pr. 4 read a second time]

head: **Government Bills and Orders**
Second Reading
(continued)

Bill 54
Alberta Centennial Education
Savings Plan Amendment Act, 2005

The Acting Speaker: The hon. Minister of Advanced Education.

Mr. Hancock: Thank you, Mr. Speaker. I'm pleased to rise to move for second reading the Alberta Centennial Education Savings Plan Amendment Act, 2005.

An amendment is being proposed to the Alberta Centennial Education Savings Plan Act, that was passed earlier this year. I might say that since that act was brought forward and passed, we've had a considerable amount of feedback in response from Albertans, mostly good but some critical. I would say that the critical elements related to two parts of the bill. One, it provided for contributions to an education savings plan for a child or children born in 2005 and going forward. Of course, many people were concerned that if their children were born in 2004, they didn't get to participate.

One of the other elements in the bill provided for \$100 to be contributed to an educational savings plan for children at ages eight, 11, and 14. If parents made a contribution of \$100 at those ages, the province would match those contributions but for children born in 2005 and beyond. On reflection and on considering comments made by Albertans, we determined that it would be appropriate to change that particular aspect of the program so that any children as they turned eight, 11, and 14 would be eligible for the program rather than only those born in 2005 and later. There are approximately 40,000 children at each age level, so that would allow every year as we go forward from 2005 for children at the ages of eight, 11, and 14 to have a contribution made to an RESP on their behalf and for the government, then, to match \$100 of that contribution.

Why is it important, Mr. Speaker? It's important because we know that the single biggest indicator of a child going to postsecondary is a parent's expectation that they will do so. That still tracks as the largest single indicator of transition from high school to postsecondary. We also know that a considerable number, certainly more than the norm, 80 per cent of children with RESPs in their name, go on to postsecondary, and that's a significantly higher number than the regular population.

So while the program goes some way towards having money in an account for a child to finance their education, that clearly is not the most significant part of the program. The most significant part of the program, the most significant purpose of the program is to encourage parents to think early about their children getting an education, to think early about that expectation and evidence that expectation by opening an RESP for their children at birth, and to contribute at ages eight, 11, and 14, contribute obviously other times, but to remind them that it's there and to remind them of that expectation that they have for their child.

10:10

The program itself is still, I believe, a very sound one. It's sound not just in providing a vehicle or encouraging a vehicle for parents to open an RESP at their child's birth and to start it with the \$500 grant that the bill provided for but to encourage in every year as we

go forward parents to have that expectation for their children that they will go on to a postsecondary education. We know that in the new knowledge economy it's projected that 70 per cent of the new jobs created in Alberta, in Canada will require some form of postsecondary education. Having this opportunity to encourage parents to think about their child's education, to have aspirations for their children to have an education will increase the probability that their children will go on to get an education. So I would encourage members to support this amendment.

I would say once again, Mr. Speaker, that the Member for Calgary-Egmont was instrumental in bringing forward this idea. It was a good idea at the time. Hopefully, this small change to the program will make it an even better idea and that more Albertans, starting in 2005 and moving forward, will have the expectation for their children that they will get a postsecondary education and that this program will help in encouraging more people to have that expectation.

Thank you, Mr. Speaker.

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

Mr. R. Miller: Well, thank you very much, Mr. Speaker. It gives me pleasure on behalf of the Member for Calgary-Currie to open debate for the Official Opposition on Bill 54, the Alberta Centennial Education Savings Plan Amendment Act, 2005. I'm not sure if the hon. Member for Edmonton-Whitemud and Advanced Education minister came right out and said it or not, but I think what he meant to say was that the Alberta Liberals were bang on in debate on Bill 1. When we opposed Bill 1, one of the comments that we made time and time again was that it was unfair to exclude children that were born prior to the year 2005.

In fact, Mr. Speaker, it wasn't just members of the opposition who raised that concern but Calgary-Egmont, as the minister has acknowledged, and I believe the Member for Vermilion-Lloydminster was very vociferous in his comments in terms of how inequitable it was to exclude children that were born before the year 2005. I'm pleased to lend my support to the bill on that account, the fact that we are addressing children that through no fault of their own managed to be born prior to the province's centennial beginning.

Mr. Speaker, there are several concerns about this that I would like to mention despite the fact that overall I'm quite confident that I will be supporting the bill. It's been acknowledged by many that registered education savings plans are a significant growth field for student aid and, in fact, a significant growth industry for banks and other financial institutions. That in itself is not necessarily a bad thing. But as the minister acknowledged, those accounts require parental seed money to start them. I believe the minister used the figure that 80 per cent of children who have RESPs in their name go on to postsecondary education, and I'm pleased to hear that the number is so high. The concern is: what about those whose parents can't afford to make that initial contribution and open those accounts?

In fact, several studies that I've been party to have indicated that it's mostly the families that are relatively well off in the first place that open these RESPs for their children, so perhaps the ones who most need that help are not getting it in the first place. Supporters of this bill tend to view the grants as a cost-effective and future-oriented mechanism, Mr. Speaker, to encourage the parents to save for their children's education while critics have complained about it as a way of funneling scarce public dollars to parents whose children are already more likely to attend a postsecondary institution. That is a result of their ability to establish and contribute to the RESPs, as I had already indicated.

Mr. Speaker, I think it would be fair to say that the expectation that parents will contribute to the costs of their children's education according to their assessed ability is built into the current student loan system. In other words, if parents have money, then they are expected by the government to contribute to their children's education, and that contribution level is then essentially clawed out of the student's loan award. We've heard many anecdotal stories from students whose parents, for whatever reason, although they may have money, are not willing to put it towards the student's education. Perhaps there's been a falling-out or the students have left home under trying circumstances, yet they're unable at times to get the loan assistance that they need because of the parents' financial wherewithal.

I would certainly like to ask the minister if he would consider bringing back answers to these questions when we get to the committee stage. Apparently, there are about 120,000 students who would be eligible for this new program, but I'm wondering if he would have an estimate of the actual numbers of families who would subscribe to it. In other words, how many families are they projecting would make the contributions and, therefore, would have to have those contributions matched by the government with this program?

Originally the money for Bill 1 was to have come out of the general revenue fund. I've looked through the supplemental supply requisitions this evening, Mr. Speaker, and I haven't been able to see any place where this money is listed. I'm wondering where it is contemplated that this money would come from, and just exactly how much money is contemplated would be required to now fund the changes that are being brought forward by this amendment to the bill.

So with that, Mr. Speaker, I will take my chair and cede to any others who wish to speak to it tonight, and I look forward to further debate on this bill. Thank you.

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

Dr. Pannu: Thank you, Mr. Speaker. I'd like to speak to Bill 54, the Alberta Centennial Education Savings Plan Amendment Act, 2005. Bill 54 amends a bill that we very recently approved in this Assembly, in the spring, another example of how hastily prepared bills become so quickly wanting and need amendments. You may recall the debate in which, certainly, one of the points that I made was why this bill would simply permit children born in 2005 and after to qualify for this small amount of grant in their eighth, 11th, and 14th years and why not others. So here we are. This amendment tries to correct that one flaw in that bill. So far, so good. You know, at least it recognizes the most sort of obvious flaw in the piece of legislation that this House debated not so long ago.

Now, I think the minister was right in suggesting there'll be about 120,000 students who will be eligible for the \$100 grant every year, so it'll amount to about \$1.2 million per year at the minimum. As the population of the province grows, I guess this number of 120,000 will grow because this number is certainly a function of the present population base, and if the population base changes, this number will change accordingly.

10:20

The minister also mentioned, and I think he was right in drawing attention to the fact that 80 per cent of children with registered educational savings plans in their names go to postsecondary institutions. Mr. Speaker, it's also true, however, that children who come from families with more than \$75,000 a year in income are much more likely to go to postsecondary institutions whether they have RESPs or not. So going to postsecondary education in this

province seems to be very strongly associated with family income. The well-off families do find their children, daughters and sons, more likely to be going to postsecondary institutions. Low-income families and children born in those families are in a very different situation. In 2001, for example, only 20 per cent of youth from families with incomes below \$75,000 a year went to university. More than double that percentage, 46 per cent, of youth from high-income families did so.

It's clear that this \$300 that will be available to every child in this province at the age of eight, 11, and 14, three times I suppose, before they go into the postsecondary will benefit, certainly, those families who already are able to send their children to postsecondary institutions in much larger proportion than their low-income counterparts. It certainly helps those. People who have RESPs, those families who do in fact register RESPs for their children, are also families in the higher income range. So no wonder, then, that RESPs and putting money into RESPs will in fact help essentially families which are already in a position to send their children to university or school. Income resources is certainly one determinant of whether the children will go to university or college or an institute or not. There are other determinants. We should recognize that.

The families that really need help need some sort of encouragement so that they would then in turn encourage their children to think of going to or plan to go to college, a technical institute, or university are ones in the low-income bracket. Families that have very low savings rates, maybe none, can save very little, may not be able to find money to put into RESPs in any case. For them to take advantage of this \$100 for every child they have when that child turns eight, 11, and 14, they'll have to find money to put into the RESP first, and only then will they become eligible to apply to take advantage of this \$100 for each of the children. So families with three or four children will have to find \$300 or \$400 if they are in that age bracket. Not many low-income families have that kind of money lying around that they can put in the RESPs and then turn around and apply on their children's behalf to take advantage of the money that's being offered by way of this bill.

It would be, I think, far more effective if the government developed a system of grants based on need to help children and families that are unable for financial reasons to encourage and send their sons and daughters to postsecondary institutions. One point two million dollars per year would go some way, I suppose, to providing some grants, but we need to do more.

I think the minister has been engaged in what he calls, you know, a comprehensive review of the postsecondary system including student financing, accessibility, affordability, ensuring that a larger number of students from Alberta participate in postsecondary education. We have one of the lowest participation rates, and that is not just because parents are negligent about thinking long term, saving money, and putting it into RESPs. It must have to do with something else because parents all across other provinces are in the same situation, but certainly conditions are such over there in other provinces that more children go to postsecondary institutions. So I think we need to find a way of addressing this question by asking: why is it that the participation rate in this province is the lowest in the country?

Would this bill – you know, this sort of piecemeal, ad hoc approach to addressing a clearly identified problem in this province, which is the low participation rate in the postsecondary system by our own young people – this \$300 token amount send a real message to parents and families and children that this government is serious about helping them? I'm afraid not. I think we need to put in place policies. I think if the grant system based on need were available and families and children knew that, given their needs, they will

have grants available to take advantage of postsecondary institutions, I think we will encourage more of them to want to go to postsecondary institutions, and we'll see more of them going there ultimately.

We have to make a start along that road. This bill doesn't seem to do very much in terms of putting in place real incentives for young people who presently don't go to postsecondary institutions in this province but have the educational qualifications and grade level achievement at the high school level to enter these institutions if they had the resources, including monetary resources.

It's also a statutory expenditure, Mr. Speaker. You can't control it. It can grow and grow. If there were a clear sort of targeted population in mind that would benefit in the sense that it presently doesn't take advantage of the opportunity to go to postsecondary institutions but will do so if this policy and program were in place, I think we would be further ahead, but I don't see this happening. It seems to me that a much larger proportion of higher income families will be the ones who will be taking advantage of it.

I think the question has been asked of the minister. I'm sure during debate in the committee he will have some information for us with respect to the question, the question being whether he has some information already which indicates that this program, \$100 at years eight, 11, and 14, this being in place already for children born this year, has encouraged, in fact, families who in the past have not thought of putting in place RESPs for their children, that because this program is now there, they have started doing this. We need to have some evidence to show that this, in fact, has stimulated the interest of families who previously weren't thinking of saving money for their children's postsecondary education, that this program has indeed spurred them to do so. I hope the minister has some information on it. Maybe it's too early yet to have that kind of information in hand, but it would be good to have some tentative answers from the minister if any such information is available to him.

10:30

Some other problems with RESPs. When you start talking about, you know, registered education savings plans, focusing on that takes attention away from the real issue, the affordability issue. Are the tuition fees too high, which discourages people? We know that tuition fees in this province are very, very high, the second highest in the country. To what extent does that explain, in fact, the low participation rate in the postsecondary system by our young people rather than the absence of RESPs? RESPs surely put the onus on individual families, true, but I don't think we can simply assume that those families that don't put money into RESPs are not willing to take responsibility for their children's education. It's a question of ability to take that action. So there are some underlying assumptions here that we need to question.

Postsecondary education must be treated as a public good. We talk a lot about how important it is for us to have more and more Albertans take advantage of postsecondary education. Why is that so? Why do we emphasize this as a matter of public policy? Because it is in the public interest to do so. Postsecondary education, in my view, should be treated as a public good and therefore made available to people regardless of their ability – monetary ability, financial ability – to take advantage of it. Focusing on RESPs takes attention away from the way in which we can in fact make this public good available to people who otherwise will not be in a position to purchase it as a private good.

On the other side of the ledger, you know, surely it's a small expenditure. One could argue that it's a gesture worth putting in place. It does provide some help to middle-class, middle-income families who can't access some loan programs due to income levels.

But the larger problem of low participation in the postsecondary system in this province remains. It's a stubborn problem, and it's not amenable to feeble solutions such as the one this bill provides.

Thank you, Mr. Speaker.

The Acting Speaker: Standing Order 29(2)(a). Any questions or comments for the hon. Member for Edmonton-Strathcona?

Anybody else wish to participate in the debate?

The hon. Minister of Advanced Education to close debate.

Mr. Hancock: Thank you, Mr. Speaker. Just a few brief words. I certainly appreciated some of the comments that were made about it. I would indicate that just because one moves on certain things doesn't mean that it's ad hoc. As we move forward to try to encourage more Albertans to get an advanced education, to transition to postsecondary, we need to move on all fronts. This is one way of encouraging that kind of participation. So I would say that it's not an ad hoc measure but one that moves a step forward to ensure that parents consider that expectation that their children get an education, consider it early in life. It's one mechanism. It's not the whole program by any stretch of the imagination.

In terms of having an opportunity with feedback to go back and look at how we can make the program better, I don't think one has to be embarrassed at all about being prepared to make improvements as we move along, and this is one that lent itself well. Unfortunately, the take-up of the program hasn't been as rapid as one might have hoped although we do expect that it will continue to be taken up. But there's money in the budget to handle the expected take-up of this additional element to the program. Therefore, it is not needed to add to the budget at this point in time.

[Motion carried; Bill 54 read a second time]

Bill 55

Post-secondary Learning Amendment Act, 2005 (No. 2)

The Acting Speaker: The hon. Minister of Advanced Education.

Mr. Hancock: Thank you, Mr. Speaker. It's my pleasure to move Bill 55 for second reading.

Bill 55 proposes an amendment to the Post-secondary Learning Act, and it's a very simple and straightforward amendment. Under the Post-secondary Learning Act there's a form of governance set up for colleges and technical institutes, and that form of governance provides a model for an academic council. This amendment would put in a clause which would allow the creation of a different type of academic council model for those institutions that wanted to do it. It's not something that would be forced upon the system. Rather, it would be an option which could go forward. What we're simply asking for is a change which will make it more possible to tailor an academic council to the specific interests or the specific governance that a college or technical institute might want to engage in.

There may be reasons, Mr. Speaker, why a college might want to do that. In utilizing this section and setting up such academic councils, we would not want to put an inordinate amount of pressure on the system for everybody to design their own academic councils or to have a multiplicity of academic councils. We will want to consult thoroughly with the colleges and technical institutes in the province with respect to the design of the regulations which would be put in place in terms of how and when a college or technical institute could move forward to utilize this particular section and ask for a specific design for an academic council for that college or institution.

It does provide for some needed flexibility in the system, and for

that reason we determined to bring forward this proposed amendment this fall, which would allow us the opportunity to work over the winter with the institutions to design the regulations necessary and have discussions with the colleges and institutions and move forward with those who wanted to make changes to their academic structure.

At this point, Mr. Speaker, I would move adjournment of debate on Bill 55.

[Motion to adjourn debate carried]

Bill 57
Apprenticeship and Industry Training
Amendment Act, 2005

The Acting Speaker: The hon. Minister of Advanced Education.

Mr. Hancock: Thank you, Mr. Speaker. I rise to move second reading of Bill 57, the Apprenticeship and Industry Training Amendment Act, 2005.

This act makes two minor housekeeping amendments to the Apprenticeship and Industry Training Act. The first one corrects a section reference in the definition of a designated trade. The second amendment corrects an oversight in the original act.

On January 1, 1992, the Apprenticeship and Industry Training Act repealed and replaced the Manpower Development Act. The trades that were designated under the Manpower Development Act were deemed to be designated under the new act. The Apprenticeship and Industry Training Act, however, did not contain a provision which would allow these trades to be listed in a regulation. At the time it didn't matter because the old regulation under the Manpower Development Act was still widely available. It was easy to find out what trades were designated.

With the passage of time the legislative trail has become somewhat obscure. There is currently no regulation which indicates what trades are designated under section 57. The matter is further complicated by the fact that the names of 16 of these trades have changed since 1992. There's no authority to make a regulation listing the new names for those trades. The proposed amendment will give the Lieutenant Governor in Council that authority.

I'd like to make it clear that the amendment is not about what should or should not be a designated trade. It's about correcting an oversight in the act, providing the ability to list in regulation the designated trades that already exist in Alberta. These amendments are minor changes that do not change the intent or the meaning of the legislation. There are no policy or financial implications arising from the amendment. Again, it's simply something which was brought to light.

Actually, Mr. Speaker, in a court case where an enforcement action was being taken with respect to a designated trade, the defence that was put forward convinced the judge in that case that there was an obscurity in the legislative trail, and as such we now need to move to correct that so that it can be clear which trades in Alberta are designated trades, so that the law can be appropriately applied and enforced.

Thank you, Mr. Speaker.

10:40

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

Mr. Backs: Thank you, Mr. Speaker. There obviously was some obscurity in the legislation that gave rise to this bill, and it flowed from a court case. The original transfer that this bill speaks to was obviously flawed, and the court case which led to this amendment proved that. The original legislation, which brought about a

transition between the former Manpower Development Act and the current Apprenticeship and Industry Training Act, was not just flawed in the way that it failed to properly list the designated trades to show which trades were properly covered by the legislation; it was also flawed in the way it changed the way the trades were viewed. That bill enshrined optional certification in certain trades, in fact degraded trades from the equal status that they had formerly held with other trades and, in fact, created what some would term greater and lesser trades.

It may have caused and been motivated by a move to have lesser compensation and benefits for those trades that were made optional. Those people that had earned journeyman status in optional trades were outraged at the time. It would have been like a medical doctor being told his medical degree was being reduced to the equivalent of an undergraduate degree, that it suddenly had lesser importance.

Those who were subject to optional certification as opposed to compulsory certification know that the skill set, the knowledge necessary for the trade, should in no way be deemed of a lesser status than in other trades. Those that know the many skills required of the now optional trades, say, for example, for a master carpenter, know that this is a trade where proper mastery of the many skills involved does not come easily. My dad was a carpenter, in and among his many other skills, and the time and experience he had to have to properly practise his trade were extensive.

Now, the differences in terms of compulsory certification and optional certification basically go to certain criteria that are outlined. For the most part, all the rest of the things are the same except for the designated occupations, but between the compulsory and optional the basic differences are that there is additional criteria for compulsory designation, which is

- (a) the degree of risk of harm to workers from the improper application of the materials and methodology of the proposed trade;
- (b) the degree of risk of harm to . . . the public from
 - (i) the improper application of the materials and methodology of the proposed trade, and
 - (ii) the activity or product produced by the proposed trade;
- (c) the demonstrated need for proven competency to perform the work of the proposed trade due to the presence or use . . . of any or all of the following:
 - (i) dangerous substances;
 - (ii) dangerous or destructive equipment;
 - (iii) dangerous techniques or practices.

Many of the people in what are the so-called deemed optional trades now don't understand why those are different for certain trades because they, in fact, apply to them all.

It's very, very significant in what this does because in terms of an optional trade the necessity to be certified or registered or to be a registered apprentice in the trade does not exist. This designation of optional has had the real effect in those trades designated of reducing those that are attracted to that trade. We'll have some real demographics facing us here in a few years that have given some cause for concern. I don't know if they're exactly here yet. We are presently facing thousands and thousands of tradesmen coming into the union halls, the hiring halls, that are out of work because of the end of projects and at the same time seeing temporary foreign workers flowing into projects that are hiring for the Progressive Contractors Association, the PC Association.

Bill 51
Appropriation (Supplementary Supply) Act,
2005 (No. 2)
(continued)

The Acting Speaker: I hesitate to interrupt the hon. Member for Edmonton-Manning, but in accordance with Standing Order 61(5)

the chair is required to put the question to the House on the appropriation bill on the Order Paper for second reading.

[Motion carried; Bill 51 read a second time]

Bill 57
Apprenticeship and Industry Training
Amendment Act, 2005

(continued)

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

Mr. Backs: Thank you, Mr. Speaker. An additional outgrowth of this move has been to push to develop multiskilling, to degrade the trades in general by segmenting the skills, by compartmentalizing certain components of tradesmen's larger skill sets so that the wage rates can be reduced. This indeed has proven to be false economy in the long run for many young people have chosen to leave a job that they'd been apprenticed into because they are not getting proper training or are doing repetitive jobs where they learn little about their prospective trade and have little hope for advancement.

The fact that statistics are not even kept anymore for first-year leavers from their apprenticeship is a sure indication that the system there is in crisis. The fact that the average age of apprentices is more than 25 is an indication that there is something absolutely and totally wrong with this system. Why are young people not being attracted to the trades? Why are so many employers making so little use of things like the RAP program? You know, these things are real difficulties and problems.

I think some of the stuff that already came about because of the original bill and the transition from the Manpower Development Act to the current Apprenticeship and Industry Training Act may have led to this. It is not only a simple listing. I think it's something that has brought forward the flaws in the initial change that was brought about at that time, a number of years ago, and brought forward by that particular change in the legislation.

I think that it is something that we should be looking at to get rid of the whole idea of optional trades, to ensure that there is mobility and proper training for all tradesmen so that we can ensure that there is an increase in the number of the trades when we hit the bomb that's going to be causing such a problem in three to four years. To ensure that all of the trades have that compulsory certification I think would be the proper and right move not only for those tradesmen but for our economy and for all Alberta.

Thank you, Mr. Speaker.

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

The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. When one looks at Bill 57, the Apprenticeship and Industry Training Amendment Act, 2005, it certainly looks innocent, but when we look at the trend – and the hon. minister was talking about the old Manpower Development Act and how times have changed since the days of the Manpower Development Act. The hon. minister is certainly right: how times have changed and how times have changed with this Progressive Conservative government. In the past there used to be so much more debate and discussion on legislation in this Assembly. That was in the past. Now, of course, everything seems to be done by regulation.

At first glance this legislation would certainly appear to just be a minor housekeeping detail, but when you look at it, Mr. Speaker, it

does not appear to impact authority respecting newly designated trades. That authority already exists to designate trades under sections 21 and 22.

This government, of course, initially wanted to put this through the Miscellaneous Statutes Amendment Act, but this Legislative Assembly meets so seldom, and with the habit of this government to do everything through order in council, a government by regulation, not by statute, this is part of the democratic deficit that exists in this province. This democratic deficit exists because, of course, there has been one party in power since 1971. [interjection] This was the first dynasty of the Progressive Conservative Party. There were three dynasties. There is a question, hon. member, whether there will be a fourth.

10:50

When you look at how things have changed – and you have to realize, Mr. Speaker, that when we see Bill 57, of course, it's just minor housekeeping – we have to be very, very cautious, and we have to be concerned about how this government operates by regulation. We only have to go back to question period today, and we see all these little deals that were made behind closed doors with Enron in 2001. Everything was done by regulation, including even a regulation to suppress the publication of a regulation. So if I and others would much prefer that all these discussions took place in public, you can understand why. It's the Minister of Justice that is the minister in charge of regulation, publication, suppression. I think it's section 3 of the Regulations Act that gives the Minister of Justice that authority, and that is significant authority.

Now, I'm certainly not saying for one minute that if this government was to look at changing the compulsory or the optional designation of a trade, they would use that seldom used section of the Regulations Act, but they certainly used it whenever they were dealing with Enron. The deal to sell off Enron's power purchase arrangement at Sundance was done, and it was certainly hidden from the public. This idea that, "Oh, well, we were just suppressing the publication of this regulation because it was large, and we wanted to reduce the size of the *Alberta Gazette*," well, that argument certainly doesn't hold merit. There are other regulations in there that were quite extensive, and they were published. They were published in the *Alberta Gazette*, but not this one. So you can understand if I am suspicious any time there is a move now by this government to change how we operate and to provide more opportunities to do everything by regulation, behind closed doors, without any public discourse.

As far as the apprenticeship and industry training goes in this province, we have to be very careful because in the past I have been disappointed to find out that this government is not willing to enforce those compulsory and optional trades. They're not willing to do that. [interjection] The hon. Minister of Advanced Education is very keen to get this legislation passed, and I'm sure he's going to have his way.

We have to be very, very careful here. People work very hard to get a trade ticket in this province, and they're quite willing to participate in their good economic fortunes, but let's make sure that we are going to work and work to provide access to education for each and every Albertan that wants to participate in the apprenticeship and industry training programs that are available. They want to get a skilled trade. They want to participate in the workforce. They want to earn a living for themselves and their families. Let's make sure that we're doing this in an open and transparent manner and that we're not watering down our trades. This government I think is right whenever they speak about how we train our workers. We are in most cases doing a very, very good job of training our workers.

But enforcing the regulations that these workers are bound by: we're not doing a very good job of that. We're turning a very blind eye to that.

It is my view that some outfits know that they can get away without having compulsory trade tickets for their workers. I don't understand how the insurance company will allow this, but at the moment they seem to be getting away with it. Now, it's only a matter of time, in my view, before there will be a lawsuit of one sort or another. So we can shrug our shoulders, we can go on with the status quo, or we can ensure that this government is not going to water down our compulsory trade certification process. I for one, Mr. Speaker, would encourage the government to look at making more of our trades compulsory. I would like our government to have a look at this.

Now, I don't know if it's going to happen. I know that the hon. Minister of Advanced Education is very busy. In this term to date there have been significant changes to Advanced Education, but certainly we should be looking at strengthening our Apprenticeship and Industry Training Act. We should be ensuring that it is enforced and that all Albertans that are interested have access to training under this act.

This notion that we're going to have this program to allow temporary foreign workers into this province when there are so many other pools of labour that could be accessed to help with our current construction boom – I just am leery of a lot of the efforts being made. I do not want to see our programs watered down. I don't want to see this system weakened. I think we should be enhancing it.

With those remarks, Mr. Speaker, I will cede the floor to another colleague. Let's be careful, and let's protect all optional and compulsory trade certification programs in this province. Thank you.

The Acting Speaker: Standing Order 29(2)(a). Any questions or comments?

Does anybody else wish to participate in the debate? The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I would like to speak to Bill 57, Apprenticeship and Industry Training Amendment Act, 2005, in second reading. Let me start by saying that I'm glad that the minister allowed himself to be persuaded to bring these amendments forward in the form of these stand-alone pieces of legislation in the form of bills 56 and 57.

He had engaged me in some discussion on whether it would be acceptable from our side to let these changes proceed as part of the Miscellaneous Statutes Amendment Act. But as we were going through those processes, I guess, the minister thought and was convinced that it would be better to bring these forward as stand-alone bills so that we'll have something on record with respect to how this Legislature and members of it feel about the changes being proposed. So I welcome this opportunity, and I want to I think join with the other colleagues in expressing some concerns about making some important changes in the existing legislation, changes that will in fact put the power to designate trades in the hands of the cabinet with no reference provided in the legislation as such with respect to definitions of what would be designated as a compulsory certification trade and what would be designated as an optional certification trade.

11:00

I think what the minister is asking for here is a sort of blank cheque in terms of allowing the cabinet to make these decisions,

decisions which, in my view, will have a far-reaching impact on people who practise these trades. One wonders why it is necessary for these matters to be taken out of the legislation and put in the hands of the Lieutenant Governor in Council to be able to make these designations through regulations. Regulations are not open to debate. Regulations are not subject to public intervention.

Certainly, the growing number of tradespeople in this province given the booming industry, the attempts to diversify the economy – there are a very large number of people who are in these trades. I think they have reason to worry about the change being proposed because one could fear arbitrary decisions on, you know, what gets downgraded to optional certification and what gets designated as a compulsory certification trade. These designations have consequences for being hired, for how one gets paid, where one can work, what kinds of jobs one can do at a work site, what jobs one cannot do. So these designations do matter for people in the trades areas. As I said, the number of people who work in different trades is growing, and we want to make sure that they have the certified skills that they claim to have and that they acquired through apprenticeships and acquired through going to NAIT and SAIT and technical institutes.

We, I think, cannot be sure that putting all these important matters in the hands of the minister or through him in the cabinet for designating these important trades either as compulsory or optional is a good thing. I think there are serious questions that the change raises. I'm sure we'll have opportunity for the minister to respond to some of these concerns in the debate on this bill in the committee stage, but at this point I think it's important that we put these matters, these concerns on the table, on record, and then we can speak to them in the next round of debate.

Thank you, Mr. Speaker.

The Acting Speaker: Standing Order 29(2)(a). Any questions or comments? Anybody else wish to participate in the debate?

The hon. Minister of Advanced Education to close debate.

Mr. Hancock: Question.

[Motion carried; Bill 57 read a second time]

Bill 56

Business Corporations Amendment Act, 2005 (No. 2)

Dr. Morton: Mr. Speaker, on behalf of the hon. Member for Calgary-Nose Hill I am pleased to move second reading of Bill 56, the Business Corporations Amendment Act, 2005 (No. 2).

The Business Corporations Act was amended earlier this year to harmonize Alberta's legislation with the Canada Business Corporations Act and to allow unlimited liability corporations to be incorporated in Alberta. Further amendments are required now: one, to protect minority shareholders who disagree with the corporation converting to or from an unlimited liability corporation; two, to clarify the time period that former shareholders of unlimited liability corporations remain liable; three, to clarify that only registered shareholders have voting rights; and, finally, for some small housekeeping amendments.

The key amendments are as follows, Mr. Speaker. The first is protection of minority shareholders. We're proposing an amendment to allow minority shareholders who disagree with the corporation converting to or from an unlimited liability corporation the right to dissent. If a shareholder exercises this right, they have the right to have their shares purchased from them at fair market value.

The second key amendment concerns the limitation period of

former shareholders of unlimited liability corporations. The government proposes an amendment to cap the limitation period on shareholder liability for former shareholders of unlimited liability corporations. Under these proposals if the claim arises prior to the shareholders selling their shares, this liability would end two years after the shareholder ceased to be a shareholder. If the claim arises after the shareholder last ceased to be a shareholder, the shareholder would not be liable for any of the obligations of the corporation arising out of the claim. The current uncertainty regarding this limitation period for former shareholders is acting as a deterrent for individuals incorporating an unlimited liability corporation in Alberta.

Finally, the third amendment concerns the right to vote. Here the government proposes an amendment to clarify that registered shareholders have the right to vote at shareholders' meetings but that beneficial owners do not. The wording in the act currently implies that beneficial holders of shares also have the right to vote, and the government wishes to strike that.

Thank you.

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

Mr. R. Miller: Thank you very much, Mr. Speaker. On behalf of my colleague from Edmonton-McClung I'm glad to rise on Bill 56, the Business Corporations Amendment Act, 2005 (No. 2). I will indicate right up front that we will be supporting this bill with a certain amount of caution as it relates to section 15.2 being amended.

A few minutes ago my colleague from Edmonton-Gold Bar spoke about openness and transparency, and despite the fact that we're now speaking to Bill 56, I am very concerned that the government is not exhibiting openness and transparency. In fact, this evening they've taken full advantage of Standing Order 61(3) to severely limit debate on the appropriation bill, which is really what we should be discussing tonight as opposed to the rather innocuous Bill 56 or some of the other minor bills that we've been looking at. For whatever reason the government doesn't seem at all interested in discussing the literally millions and millions and, in fact, almost \$2 billion in supplementary supply that they've asked for, and as I've suggested, they've taken full advantage of a standing order to throttle debate on that tonight. I expect, Mr. Speaker, that they will do the same again tomorrow in the afternoon and probably again tomorrow in the evening to ensure that everything is wrapped up for Thursday afternoon, and I find that very frustrating.

It's not that I'm not wanting to speak to Bill 56; in fact, as I suggested, there are some things in Bill 56 that are quite good. I particularly like the idea where Alberta, as an example, is requiring 25 per cent of unlimited liability corporation directors to be resident of Canada. That trumps Nova Scotia, which doesn't have a Canadian residency requirement. But I would much, much rather have had an opportunity to discuss supplementary supply for Municipal Affairs, as an example: \$138,235,000 which to this point has had zero debate, Mr. Speaker.

The Acting Speaker: Hon. member, we are dealing with Bill 56 and not supplementary supply, so please direct your remarks to Bill 56.

11:10

Mr. R. Miller: Thank you, Mr. Speaker. I will attempt to focus my remarks on Bill 56.

As I indicated earlier, we have discussed Bill 56 with a number of legal experts and a couple of stakeholder groups. They indicate to us that, primarily, this is a housekeeping bill. However, they do

recommend caution, Mr. Speaker, as it pertains particularly to the changes that are being made to section 15.2. The goal of the amendment as it has been explained to us is to cap the time period for which a former shareholder can be liable for any liability, act, or default of the corporation. As I suggested, stakeholders agree that this was a necessary measure. However, given the complexity of the issue, clarification is being sought as to the potential implications of this two-year limitation.

Now, Mr. Speaker, as I said, the amendments appear to be primarily housekeeping ones. As a result of that, I'm willing to give my support to Bill 56 although it does appear that, as I said, section 15.2 creates some concern. The question, I suppose, that we have really is: will the two-year limitation free the former shareholders who took part in unethical activities perhaps to escape responsibility for their actions? Another question that I have in my mind is whether or not this change to section 15.2 would mean that shareholders of an unlimited liability corporation would then be held accountable for actions of former shareholders of that corporation.

I do also find it ironic – again, there seems to be a lot of irony in here tonight, Mr. Speaker. I find it ironic that this government, with its almost unlimited resources – and I'm not sure how many lawyers they have on staff. I'm sure my colleague from Edmonton-Gold Bar would be able to tell us how many lawyers they have on staff. I can tell you that the Official Opposition doesn't have the resources for any lawyers on staff, so we rely on the good graces of some volunteer legal experts to occasionally offer up their opinions. But with all of the resources and lawyers that the government has on staff, this bill managed to slip through the first time in the spring with three typographical errors, and I do find that rather ironic.

Now, I guess that in conclusion, Mr. Speaker, the point is, as I said before, that although it certainly would get qualified support, the primary concern is really whether or not this amendment would free a former majority shareholder, board member, or an executive from responsibility if he or she had in fact partaken in illegal activity while they were a shareholder. If so, would the remaining shareholders be held accountable for activities that they were unaware of? Who, if anybody, would actually bear responsibility for those actions of the former shareholder if, in fact, they were found to have been responsible for unethical or illegal activities?

With that, Mr. Speaker, I will take my seat. Thank you.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I rise this evening to participate in the debate on Bill 56, the Business Corporations Amendment Act, 2005 (No. 2). Certainly, as this evening has progressed, like with many other debates in this Assembly, one has to listen with interest to the discussions that occur in here. One only has to, when we're discussing Bill 56, remind ourselves of the advice from the hon. Member for Edmonton-Strathcona in previous debate in regard to the Apprenticeship and Industry Training Act, I believe. The hon. member was talking about the haste with which legislation seems to be drafted, and the hon. member went on to indicate that he has some problems sometimes with some of the legislation that's drafted. I certainly would have to agree whenever I look at this.

It was only this past spring that we had Bill 16, the Business Corporations Amendment Act, 2005 – and this I believe came into effect in June – allowing American residents carrying on business activities in Alberta to have a more practical and cost-effective mechanism to structure some of their tax planning. The amendments in Bill 16 allowed for the creation of unlimited liability corporations. Alberta and Nova Scotia are the two Canadian provinces that allow for unlimited liability corporations.

Now we have these sort of innocent amendments. I don't know why they couldn't have been incorporated in the initial legislation, but they certainly seem to be needed. As I understand it, without these amendments some shareholders who disagree with conversion into an unlimited liability corporation could be – and this is very important: it could be without their consent – personally liable for the debt or other obligations of the corporation.

We have to give confidence that businesses can have a level playing field in this province. I would have to question: would someone that is operating under this Business Corporations Amendment Act behave like this government did tonight? Again, I'm disappointed to have to say this, Mr. Speaker: a suppressed debate on the appropriation bill. Under the Business Corporations Act certainly good corporations are going to consult always with their shareholders. This is such a contrast to this government as they do not seem to have any interest in consulting with taxpayers. It's sort of ironic when you compare the obligations of the business community and the obligations as perceived by this government to the taxpayers.

For this legislation, Bill 56, Mr. Speaker, there have been consultations with members of the legal community. It appears as though we can say that, yes, Bill 56 is a housekeeping bill that aims at cleaning up some of the errors and inconsistencies that previously existed in the Business Corporations Act. Again I would urge caution. Caution is recommended due to the changes set out in part 2 of the proposed amendments. Part 2 amends section 15.2 of the Business Corporations Act. This amendment, as I understand it and as our research indicates, establishes a two-year limitation on former shareholder liabilities for unlimited liability corporations. The goal of this amendment is to cap the time period for which a former shareholder can be liable for any liability, act, or default of the corporation. Stakeholders agree that this was a necessary measure. Still, given the complexity of the issue, clarification should be sought as to the potential implications of this two-year limitation.

Mr. Speaker, it appears that the amendments in this bill are fairly minor, again with the exception of changes to section 15.2. Will this two-year limitation free former shareholders who took part in unethical activities to escape responsibility for their actions? How will that work? I would appreciate an answer to this.

11:20

I have another question regarding the amendments in this bill. If we are limiting the liability of former shareholders, who will be held responsible for their actions if they are, in fact, at fault?

Another concern, Mr. Speaker, is again the change to section 15.2. I'm wondering – and I would appreciate an answer in due time in the course of this debate – if this will mean that shareholders of an unlimited liability corporation will be held accountable for the actions of former shareholders?

Again, the amendments that are proposed in this bill appear to be primarily housekeeping issues. The stakeholders that the Official Opposition has consulted believe that these changes are necessary. Therefore, I am willing to certainly support Bill 56 at this time, but I would urge the government in the future to take a little bit more due diligence. Again, this was legislation that was housekeeping.

If we were to compare the miscellaneous statutes act, Mr. Speaker, to a broom, with this government it would be a 36-inch or a 42-inch wide broom that a janitor in a school would use to sweep the corridor, because there are a lot of things that can get caught up in that. It's not a narrow broom. I think that is unfortunate because this government has now become more reliant on the miscellaneous statutes amendments. I think that's really unfortunate, and it's reflective of a government that is tired and drifting. It is unfortunate. It is really, really unfortunate.

Now, there might be a breath of fresh air and new direction and

new leadership there. Who's to say? Certainly, this is an indication that things are not working the way they should. I'm disappointed, again, in this government. Bill 56 is another attempt at correcting some unfortunate errors in the original drafting of this bill in the spring.

Certainly, to provide the business community with confidence in this Legislative Assembly and its ability to provide laws that are fair, I would support this bill at this time, Mr. Speaker. I cede the floor to any other hon. colleague who would like to participate in the debate.

Thank you.

The Acting Speaker: Standing Order 29(2)(a)?

Does anybody else wish to participate in the debate?

The hon. Member for Foothills-Rocky View to close debate on behalf of the Member for Calgary-Nose Hill.

Dr. Morton: I will relay the questions that the hon. member posed to the Member for Calgary-Nose Hill and move the question.

[Motion carried; Bill 56 read a second time]

head:

**Private Bills
Committee of the Whole**

[Mr. Shariff in the chair]

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

**Bill Pr. 4
Brooklynn Hannah George Rewega
Right of Civil Action Act**

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

Mr. Oberle: Thank you, Mr. Speaker. I'm pleased to open discussion on Bill Pr. 4 in Committee of the Whole, and in doing so, I wish to table an amendment as recommended by the Private Bills Committee and as agreed to by the Rewega family. The amendment is being circulated right now. I won't bother reading it out other than to say that by the addition of these clauses to Bill Pr. 4 the intent and the wording is to make it entirely consistent with Bill 45. As I said, this was recommended by the Private Bills Committee and agreed to by the Rewega family.

Thank you, Mr. Speaker.

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

Mr. Agnihotri: Thank you, Mr. Chairman. I'll be very brief on this. I want to ask the question to the sponsor: if she had the right before Dobson case, why do we need two bills, private and public bills? Let me finish a couple of other questions you can answer maybe.

The Deputy Chair: Hon. member, we have on the floor an amendment that we shall refer to as amendment A1. Are you wanting to speak on the amendment, hon. member?

Mr. Agnihotri: I haven't got that. I haven't seen it.

The Deputy Chair: The amendment has been circulated. Is it before you now? Hon. Member for Edmonton-Ellerslie, would you like to speak on the amendment?

Mr. Agnihotri: No.

The Deputy Chair: Okay. Would anybody like to speak on the amendment? Are you ready for the question?

[Motion on amendment A1 carried]

The Deputy Chair: Hon. Member for Edmonton-Ellerslie, would you like to speak on the bill?

Mr. Agnihotri: My question is from this amendment, section 2(1): "Any compensation for injuries and losses under section 1 shall be limited to the amount of insurance money." What's the maximum amount for the settlement?

Another question is: how can we make sure the lawyers won't use this case as precedent setting? Legislation should have clear and precise language so that lawyers won't be able to play their games in future lawsuits.

Once the settlement has been paid out, what prevents this person from accessing other programs to supplement their income: disability, pension, or AISH, or any other social program? Those are my questions, please.

Thank you.

Mr. Oberle: Mr. Speaker, I cannot speak to the amount of insurance carried by Mrs. Rewega, and that would be private information anyway. There is a minimum amount of liability insurance that we are required to carry by law. You're allowed to carry more than that. That's all I can say on the matter.

With regard to the bill being precedent setting and the need for concise language, this is exactly what the Supreme Court invited us to do and the language in essence is provided by the Supreme Court, and the Congenital Disabilities Act of the United Kingdom. Beyond that, Mr. Speaker, I don't know what else to comment to this hon. member.

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

11:30

Mr. MacDonald: Yes. Thank you, Mr. Chairman. Certainly at this time in regard to Bill Pr. 4 I have to for the record express my disappointment in the amendment, not necessarily about the contents but the process that was followed here. At this hour in the evening some of the pages have left the Assembly. I certainly wanted to have a look at section 635 of the Insurance Act before we could have discussion on this, but unfortunately I could not. I've been stopped before from going into the cupboards personally to get the statutes, and that's fair enough, but I would just like to express my regret that this is being so quickly . . .

Chair's Ruling

Access to Statutes in the Assembly

The Deputy Chair: Hon. member, every member of this Assembly has a right to access statutes that are sitting in the Assembly. We are at the committee stage. The chair will have no problems in you leaving your seat and picking up the statutes. It might take a little while, but we may be able to get to you. But you can easily walk over there, and I'll allow you the few minutes to go and get that.

Mr. MacDonald: Mr. Chairman, I appreciate that because it has

been the past practice of this Assembly that that has not been the case. I appreciate that. Thank you.

Debate Continued

The Deputy Chair: Are you finished?

Mr. MacDonald: The amendment has already been passed, so it's water under the bridge.

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

Mr. Oberle: Mr. Chair, I would just like to point out to my hon. colleague that this is the same wording that was in Bill 45 that's been before us for quite some time, and this wording was recommended by the Private Bills Committee last week. So this is not new and not a surprise amendment here.

Thank you.

[The clauses of Bill Pr. 4 as amended 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. Chair. I would move that we now rise and report.

[Motion carried]

[Mr. Shariff in the chair]

The Acting Speaker: The hon. Member for Wetaskiwin-Camrose.

Mr. Johnson: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the following bill with some amendments: Bill Pr. 4. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

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

Hon. Members: Concur.

The Acting Speaker: Opposed? So ordered.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you very much, Mr. Speaker. It has been a really nice evening of debate tonight, and I just want to thank all members here for their co-operation. On that note, I would move that we stand adjourned until 1:30 p.m. tomorrow.

[Motion carried; at 11:34 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]