



Legislative Assembly of Alberta

The 27th Legislature
Second Session

Standing Committee
on
Private Bills

Tuesday, April 7, 2009
8:03 a.m.

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Standing Committee on Private Bills

Brown, Dr. Neil, QC, Calgary-Nose Hill (PC), Chair
Woo-Paw, Teresa, Calgary-Mackay (PC), Deputy Chair

Allred, Ken, St. Albert (PC)
Amery, Moe, Calgary-East (PC)
Anderson, Rob, Airdrie-Chestermere (PC)
Benito, Carl, Edmonton-Mill Woods (PC)
Bhardwaj, Naresh, Edmonton-Ellerslie (PC)
Boutilier, Guy C., Fort McMurray-Wood Buffalo (PC)
Calahasen, Pearl, Lesser Slave Lake (PC)
Dallas, Cal, Red Deer-South (PC)
Doerksen, Arno, Strathmore-Brooks (PC)
Forsyth, Heather, Calgary-Fish Creek (PC)
Jacobs, Broyce, Cardston-Taber-Warner (PC)
MacDonald, Hugh, Edmonton-Gold Bar (AL)
McQueen, Diana, Drayton Valley-Calmar (PC)
Olson, Verlyn, QC, Wetaskiwin-Camrose (PC)
Quest, Dave, Strathcona (PC)
Rodney, Dave, Calgary-Lougheed (PC)
Sandhu, Peter, Edmonton-Manning (PC)
Sarich, Janice, Edmonton-Decore (PC)
Taft, Dr. Kevin, Edmonton-Riverview (AL)

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Standing Committee on Private Bills

Bill Pr. 1 Participants

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Christopher Jackson	Legal Counsel

Bill Pr. 2 Participants

John Brennan	Covenant Health
Martin Chamberlain, QC	Legal Counsel, Alberta Health and Wellness
Rick Ewasiuk, QC	Legal Counsel
Margaret Mrazek, QC	Legal Counsel
Archbishop Richard Smith	Catholic Archdiocese of Edmonton

Bill Pr. 3 Participants

Sister Jocelyne Fallu	Daughters of Wisdom
Russell Gibson	Legal Counsel

8:03 a.m.

Tuesday, April 7, 2009

[Dr. Brown in the chair]

The Chair: Good morning, everyone. Welcome to the meeting of the Standing Committee on Private Bills. I want to also acknowledge the fact that Mr. Boutilier is attending the meeting by teleconference.

Mr. Boutilier: Good morning, Mr. Chair and members.

The Chair: I'll also welcome Mr. Elniski. He's here as the sponsor of Bill Pr. 2.

The first order of business this morning is the approval of the agenda as circulated. Could I have a motion? Mr. Sandhu. All in favour? Any opposed? That's carried.

The next item is the approval of the committee meeting minutes from Tuesday, March 10, 2009. Mrs. Forsyth has moved adoption of those minutes as circulated. Any discussion? Errors or omissions? All in favour, then? Anyone opposed? That's carried. Thank you.

Ladies and gentlemen, there are three private bills that we're going to hear about today: Bill Pr. 1, the Beverly Anne Cormier Adoption Termination Act; Bill Pr. 2, the Caritas Health Group Statutes Amendment Act, 2009; and Bill Pr. 3, Les Filles de la Sagesse Act Repeal Act. I sent a memo around reminding everyone that there was a Parliamentary Counsel's report on these petitions. I hope that everyone has had the opportunity to review those and to think of the questions they might want to ask at the time that each one of these private bills is presented. The meeting materials have been posted on the committee's website, and I presume all of you have had access to all of those materials.

One further note in respect of Bill Pr. 3. Parliamentary Counsel distributed a further memo yesterday, which enclosed the statutory declaration of Mr. Gibson. The memo and statutory declaration were posted to the website, and hopefully all of you have had an opportunity to have access to that as well.

I want to take a couple of minutes just to review the procedure of the Private Bills Committee. The purpose of private bills is to allow individuals or groups of individuals or other bodies to petition the Legislature for relief or remedy that's not available in a general bill. Once the private bill is passed in the Legislature, it is just as effective as any other statute.

I took the liberty of reviewing *Erskine May* again, and I want to just remind you of a couple of subtle differences between private and public bills as far as the Legislature is concerned. In the case of a public general bill the Legislature acts strictly in a legislative capacity. In the case of a private bill we as this committee and the Legislature act in a legislative capacity but also in a judicial capacity. In effect, we are adjudicating between private interests. I want you to keep that in mind.

The procedure on private bills is governed by standing orders 89 through 106. Just to summarize those, the requirements for compliance of the petitions pursuant to the standing orders are that the petitioner advertises in the *Alberta Gazette* and twice, for two consecutive weeks, in an Alberta newspaper. The petition has to be filed with the Assembly and with the Lieutenant Governor. There has to be a draft bill presented along with a filing fee of \$200.

Once the petitions have been received within the specified time limit, they're referred to the chair, who then presents them in the Assembly. Once the petitions have been reviewed, then I again report to the Assembly. We then proceed with the hearings, which

is what we're here for today, at which time anyone interested in these petitions for private bills can appear in front of the committee, for and against. After the presentation by the petitioners we will have an opportunity for all of the members to ask any pertinent questions relating to the nature of the bills. Once the hearings are completed, we will then have another meeting to deliberate on the bills. At that time we can do one of three things. We can recommend that the bill proceed, that the bill not proceed, or that the bill proceed with certain amendments as recommended by the committee. After it reaches the floor of the House, it then proceeds in the same manner as any other bill.

Any other concerns or questions that I have not covered that you might like to raise at this time before we call in the petitioners? Dr. Taft.

Dr. Taft: Yes. I'm just wondering if we do plan at some point to go in camera.

The Chair: I think that would be appropriate in these circumstances, yes. I would welcome a motion at some point to do that.

Dr. Taft: Okay. You've got that arranged, I expect.

The Chair: Thank you.

Any other concerns? Ms Calahasen, did you have something?

Ms Calahasen: No. I'm fine. Thank you.

8:10

[Ms Cormier and Mr. Jackson were sworn in]

The Chair: Good morning, and welcome. I would just remind the guests that they don't have to operate the microphones or anything. They're in front of you. They're all automatically controlled. *Hansard* staff is capable of dealing with that. I just want you also to note that the meeting, unless we go in camera, is recorded by *Hansard* and that the audio is streamed live on the Internet.

At this point I would like to invite our guests first to introduce themselves, and then we'll go around the table and introduce you to the members of the committee.

Bill Pr. 1, Beverly Anne Cormier Adoption Termination Act

Ms Cormier: My name is Beverly Anne Cormier.

Mr. Jackson: Chris Jackson. I'm counsel for Ms Cormier.

Dr. Taft: I'm Kevin Taft, MLA for Edmonton-Riverview. Hi.

Mr. MacDonald: Good morning. Hugh MacDonald, Edmonton-Gold Bar.

Mr. Rodney: Good morning. Dave Rodney, Calgary-Lougheed.

Mr. Amery: Good morning. Moe Amery, Calgary-East.

Mr. Bhardwaj: Good morning. Naresh Bhardwaj, Edmonton-Ellerslie.

Mr. Jacobs: Good morning. Broyce Jacobs, Cardston-Taber-Warner.

Mr. Dallas: Good morning. Cal Dallas, Red Deer-South.

Ms Woo-Paw: Good morning. Teresa Woo-Paw, Calgary-Mackay.

Ms Marston: Good morning. Florence Marston, assistant to the committee.

The Chair: I'm Neil Brown. I'm the chair of the committee.

Ms Dean: Shannon Dean, Senior Parliamentary Counsel and counsel to this committee.

Mrs. Forsyth: Hi. I'm Heather Forsyth, Calgary-Fish Creek.

Mr. Elniski: Doug Elniski, Edmonton-Calder.

Mr. Sandhu: Good morning. Peter Sandhu, Edmonton-Manning.

Mrs. McQueen: Good morning. Diana McQueen, MLA, Drayton Valley-Calmar.

Mr. Doerksen: Arno Doerksen, MLA, Strathmore-Brooks.

Mr. Benito: Carl Benito, Edmonton-Mill Woods.

Mrs. Sarich: Good morning. Janice Sarich, MLA for Edmonton-Decore.

Ms Calahasen: Pearl Calahasen, Lesser Slave Lake.

Mr. Boutilier: Good morning. Guy Boutilier, Fort McMurray-Wood Buffalo.

The Chair: Thank you very much, Guy. You're out of sight but not out of mind.

Mr. Boutilier: Thank you, Mr. Chair.

The Chair: Now, in view of the nature of this hearing I would invite – Dr. Taft, you indicated that you were prepared to make a motion?

Dr. Taft: I think you should arrange that. I was just inquiring what the plan was.

Mrs. Forsyth: I'm quite prepared to make a motion, due to the sensitivity of this, that we go in camera.

The Chair: Thank you.

Any discussion regarding the motion? All in favour? Anyone opposed? Okay. That is carried. Thank you very much.

[The committee met in camera from 8:13 a.m. to 8:20 a.m.]

The Chair: I'd just advise the petitioner and counsel that the committee will meet on April 14 to deliberate on your bill and that you will be advised in due course of the committee's decision in that regard.

This concludes the hearing on your bill. Thank you for your submissions and your attendance here today, and good luck.

Mr. Jackson: Thank you.

Ms Cormier: Thank you.

[Dr. Brennan, Mr. Chamberlain, Mr. Dumelie, Mr. Ewasiuk, Ms Mrazek, and Archbishop Smith were sworn in]

The Chair: Well, good morning to our guests, and welcome to the committee on private bills. I will advise the guests that they don't need to operate the microphones in any way. *Hansard* staff takes care of that. Just to remind you that our meeting is recorded by *Hansard* and that the audio is streamed live on the Internet.

At this point I would invite our guests to introduce themselves. Then we'll go around the table and introduce all of the members of the committee as well. We'll start with Your Grace.

Bill Pr. 2, Caritas Health Group Statutes Amendment Act, 2009

Archbishop Smith: Sure. Archbishop Richard Smith. I'm the Archbishop of Edmonton.

Dr. Brennan: John Brennan, chair of Covenant Health.

Mr. Ewasiuk: Rick Ewasiuk. I'm the supporting legal counsel for all of these organizations.

Ms Mrazek: Marg Mrazek, counsel for these organizations.

Mr. Chamberlain: Martin Chamberlain, corporate counsel with Alberta Health and Wellness.

Mr. Quest: Dave Quest, MLA, Strathcona.

Dr. Taft: Kevin Taft, MLA, Edmonton-Riverview. Welcome to this meeting.

Mr. MacDonald: Hugh MacDonald, Edmonton-Gold Bar. Good morning.

Mr. Rodney: Good morning. Dave Rodney, MLA, Calgary-Lougheed.

Mr. Amery: Good morning. Moe Amery, Calgary-East.

Mr. Bhardwaj: Good morning. Naresh Bhardwaj, Edmonton-Ellerslie.

Mr. Jacobs: Good morning. Broyce Jacobs, Cardston-Taber-Warner.

Mr. Dallas: Good morning. Cal Dallas, MLA, Red Deer-South.

Ms Woo-Paw: Good morning, everyone. Teresa Woo-Paw, Calgary-Mackay.

Ms Marston: Good morning. Florence Marston, assistant to this committee.

The Chair: Neil Brown, chair of the committee and Member for Calgary-Nose Hill.

Ms Dean: Shannon Dean, Senior Parliamentary Counsel and counsel to this committee.

Mrs. Forsyth: I'm Heather Forsyth, Calgary-Fish Creek.

Mr. Elniski: Good morning. Doug Elniski, bill sponsor, Edmonton-Calder.

Mr. Sandhu: Good morning. Peter Sandhu, Edmonton-Manning.

Mrs. McQueen: Good morning, Your Grace, guests. Diana McQueen, MLA, Drayton Valley-Calmar.

Mr. Doerksen: Good morning. Arno Doerksen, MLA for Strathmore-Brooks.

Mr. Benito: Carl Benito, Edmonton-Mill Woods.

Mrs. Sarich: Good morning. MLA Janice Sarich from Edmonton-Decore.

Ms Calahasen: Good morning. Pearl Calahasen, Lesser Slave Lake.

Mr. Dumelie: Good morning. Patrick Dumelie, president and CEO of Covenant Health and the various organizations.

The Chair: Just before we commence the proceedings, Ms Mrazek is the president of the Progressive Conservative Party of Alberta. I'm going to ask at the outset whether or not any of the committee members have any concerns with Ms Mrazek appearing here as counsel today.

Mr. Boutilier: Mr. Chair, Guy Boutilier. I didn't get a chance to be introduced, but Guy Boutilier, MLA, Fort McMurray-Wood Buffalo.

The Chair: Sorry. Thank you.

Dr. Taft: Mr. Chairman, I just think it's worth considering the optics of the situation given the political nature of this committee. I leave it up to the majority of members to decide if they're comfortable. My little political radar goes off on your behalf, which is not a concern I often have, but I leave it up to you to decide, if down the road anything goes awry, if this is the proper way to have proceeded.

The Chair: Well, given the fact, Dr. Taft, that a concern has been expressed, I'm going to ask Ms Mrazek to step aside as counsel for the committee in my capacity as chair. I think that there is a reasonable apprehension of bias. There could be some issues. Issues have been raised by Parliamentary Counsel in the report with respect to some of the aspects of this petition, and I think it would be appropriate for Ms Mrazek to stand aside.

Mr. Boutilier: Mr. Chair, I would just pose the question to counsel whether, in fact, she has a position on this.

Ms Dean: I do not.

The Chair: Mr. Rodney.

Mr. Rodney: Thank you, Chair. I suppose this is a question for Dr. Taft. Is this something that you would be supportive of, sir? I think there's no doubt that Ms Mrazek's integrity is unquestioned. If it's something that you deem appropriate – I don't know if the chair is asking for a vote or if this is simply a ruling.

The Chair: I'm not asking for a vote. The chair has asked Ms Mrazek to please step aside. I think that there is a reasonable apprehension of bias.

Mr. Rodney: Okay. Then I withdraw the question. Thank you.

The Chair: So, Ms Mrazek, would you please step aside?

Ms Mrazek: Do I have to leave the room?

The Chair: No. The hearing is public, and you're certainly welcome to continue to attend.

Ms Mrazek: If I could provide advice, I'll give advice. I won't speak. But if because of the fact of my background information I need to answer some questions, I'll provide the information to Rick Ewasiuk, and he'll do the presentation.

The Chair: Sure. You can send him a note or whatever is appropriate. I think that's entirely fine.

At this point I would invite the petitioner or their representatives to address the committee regarding the petition.

Mr. Ewasiuk: Okay. Thank you very much, Mr. Chairman. Thank you, all, for taking time to meet with us today. I appreciate that this takes a lot of time out of your day. Thanks also to Ms Dean, who has been of great assistance to us in preparing this private act. Thank you very much.

We've already done the introductions as to who is here today. I'll be making a presentation respecting the bill. Archbishop Smith is here to respond to any questions you have regarding his certification that was supplied to you. Dr. Brennan is here today to provide you with answers to any questions you may have regarding the statutory declaration that was provided. Mr. Dumelie, of course, being CEO of all these organizations, is here to provide any background information and will be making a partial presentation himself after I finish my introductory remarks.

8:30

I believe you already have the material that relates to this matter. As you may be aware, Catholic Health has been involved in this province for well over 140 years. Its origins go back a very, very long time. Throughout that period of time it has sprung up in a number of different ways. A number of different orders of sisters have set out here to Alberta, sometimes in very harsh conditions, and have set up health care facilities in this province. Over time that has evolved. We have had situations with membership in these sisters' organizations declining over time so that over time these organizations have become more or less brought together under the umbrella of a sponsoring organization that used to be known as Alberta Catholic Health Corporation and is now known as Catholic Health of Alberta.

We're at the point now where, much like you have with the RHAs, we're in a situation where it would be much more efficient, much more sensible, much easier if we were to take all of these various organizations – there all 12 entities in total – and amalgamate them all into a single entity. That organization would assume all of the assets and liabilities of these various organizations and would carry on much as before, only in a consolidated manner. It just makes good sense to do that.

There is no current legal mechanism for doing this beyond what we're trying to do today because many of these organizations were incorporated through private acts of their own. Some of them were incorporated under part 9 of the Companies Act. There doesn't exist any other legal mechanism for amalgamating them other than by way of a further private act. The method we have chosen is to use an existing private act, which is the one that governs the largest of our organizations, Caritas, and to amalgamate them into Caritas, into one organization that's going to be known as Covenant Health.

Now, that's sort of the legal background. As you know, we have provided material relating to the proof of authority and that sort of

thing. It has been reviewed by Alberta Health and Wellness, who provided us with a very nice letter which says that they have no comments on this. So I think we're in a position to go with your authority, but I'll give, maybe, Mr. Dumelie an opportunity now to speak a bit more about where we are at this stage.

Mr. Dumelie: I think Rick has covered a fair bit of it. Really, Catholic Health of Alberta was established in 1976, as Rick has indicated, to provide oversight for the Catholic facilities in the province. Over time, as a religious congregation, numbers didn't allow them to provide sponsorship and oversight for these facilities. They really turned to the bishops to make sure that these catholic organizations were maintained.

Between '76 and 2006 these 12 organizations have come under the sponsorship of the now Catholic Health of Alberta. The bishops and two lay people are the members of Catholic Health of Alberta. The amalgamated entities include the Caritas Health Group, with three facilities – the Misericordia hospital, Grey Nuns hospital, and the General continuing care centre – St. Joseph's hospital of Edmonton; St. Joseph's general hospital, Vegreville; Youville Homes, St. Albert; Bonnyville health centre; Mary Immaculate hospital of Mundare; Killam general hospital; Our Lady of The Rosary hospital, Castor; St. Mary's hospital, Camrose; St. Mary's health centre, Trochu; St. Michael's health centre, which has three facilities in Lethbridge; and Banff Mineral Springs hospital. The sole member of each of those entities is Catholic Health of Alberta.

In early 2007 the then boards of each of these organizations voluntarily came together and asked their chairs to review the sponsorship and the operations of these facilities, looking at ways that we could become more effective as it relates to our governance, clinical, and administrative leadership. They formed a committee, which was comprised of all of the chairs of these individual organizations, and they prepared a report that they presented to the members of Catholic Health of Alberta, the bishops and the two others, in July 2008.

The report indicated that they supported unanimously the move to consolidate the operations into one amalgamated entity, stating that they had three major goals that they thought they would achieve, the first being that they would improve the accountability to the church and also to the province through the now Alberta Health Services, strengthening both the governance, administrative capacity, and clinical capacity of each of these organizations.

They also looked to provide for a refreshed vision for Catholic health care into the future, going back to some of our roots of why the sisters actually started these works way back, beginning almost 150 years ago, looking at how we can reach out and provide services to those who are most in need and those who aren't receiving services in our system today.

The third was to ensure that we had the best and most effective organizational structure to work in partnership with Alberta Health Services, to be an effective partner, and to ensure that there's a single point of accountability as it relates to the new Alberta Health Services structure.

On July 31 the bishops of Alberta, the members, approved the amalgamation and began the process to bring the organizations together. Effective August 7, 2008, they appointed the board of Catholic Health of Alberta and appointed those same individuals as the boards of each of the contemplated amalgamated organizations – at the same time they also appointed me as the president and CEO of all of the organizations – which effectively has taken control of these organizations in the interim.

As Rick has already indicated, what's left for us is to amalgamate these organizations. I think it's much akin to the work that you've

done already with the Alberta Health Services Board. We believe that there's no other way to make this amalgamation complete given that many of the organizations are actually formed under private bills. A couple are part 9. As Rick has already indicated, the bill itself that we have put forward is the Caritas act, hoping that that would be the simplest way to have this achieved. What we're really asking for is to bring the organizations under the Caritas act, amend the name, and repeal all the existing acts that are in place, thereby simplifying not only the acts but certainly the governance and management of our organization.

Those are my comments. Thank you.

The Chair: Are there any other comments that petitioners wish to make?

Mr. Ewasiuk: I think there's really not much more to add. I think Patrick has summarized pretty much as well the legal aspects of what we're trying to do here: amalgamate these organizations into one entity and make sure that all the assets and liabilities are brought together in this same organization so that the transition is seamless. There are some technical amendments that go along with that. They're just amendments that are designed to deal with consequential aspects of that.

I should maybe point out as well that what we were trying to do was make this effective April 1, which was a few days ago. The reason for that is simply an economic one. Our year-end is the same as it is for the RHAs. We'd like to save some auditing costs and avoid having to have a stub year-end and, simply, economically bring a conclusion to the year-ends for the various organizations as of March 31.

The Chair: Thank you.

I now would invite Mr. Chamberlain to offer comments on behalf of the Department of Health and Wellness.

Mr. Chamberlain: Thank you, Mr. Chair. The department has had the opportunity to review the proposed bill and has no comments.

The Chair: Thank you.

Are there any other witnesses present in the room? I don't see any, but if there are any other persons who wish to make submissions, let them now speak or forever hold their peace.

Okay. We'll now invite questions from the committee, and we'll start with Mr. Rodney, please.

Mr. Rodney: Thank you, Mr. Chair. Certainly, based on one of the last comments, I suppose the committee will have to review an April 1 start date in terms of legislation going retroactive. That's for future deliberation, I'm sure.

Just to get one thing on the record, perhaps you can comment on the implication of the amalgamation in connection with existing liabilities and causes of action, judgments, other types of claims. In your view is this issue adequately addressed in sections 10.1 and 10.2, or do you have any further comment?

8:40

Mr. Ewasiuk: The wording for these amalgamation provisions is drawn from the Alberta Business Corporations Act, so it is meant to have the same effect as an amalgamation would with Alberta business corporations and precisely do as you say. We don't want to lose any advantages, nor do we want to disadvantage anyone.

Mr. Rodney: Thank you.

The Chair: Mr. Amery, please.

Mr. Amery: Thank you, Mr. Chairman, and thank you for the presentation. My question, when I hear the name Catholic Health of Alberta, is: do you only provide health services to people who are of Catholic faith?

Mr. Ewasiuk: The answer to that is no, but I'll let Patrick deal with that.

Mr. Amery: My other question is: can anyone who is not of Catholic faith be a member of the board?

Mr. Dumelie: The first is no, that we provide services to all faiths, all races, all denominations. In fact, it is part of our Catholic values that we reach out to anybody who is in need. We like to say that we hold ourselves to that standard, that you'll be treated with respect, dignity, fairness, and that's what you can come to expect from a Catholic organization.

In terms of the members of the board there is no prohibition to anyone of any faith being on the board. We try to have our board members represent our communities as well as have the proper governance skill sets that will, you know, provide good governance to our organization. You could be of any faith and be a member of the board.

Mr. Amery: Thank you.

The Chair: Ms Woo-Paw, please.

Ms Woo-Paw: Thank you, Mr. Chair. Well, first, I'd like to applaud your efforts to strengthen and simplify your leadership and governance structure and refresh your vision and direction. You also mentioned specifically addressing the issue of openness and transparency. My question is: upon amalgamation would the new entity consider submitting public filing to the registry?

Mr. Dumelie: I think we would be definitely open to that. I'm not sure that I fully understand what the implications of that would be, but certainly we, I think, have a long history of being very transparent. We believe that we're good stewards of the public resources entrusted to us, and we'd be very open to sharing whatever information would support that transparency.

Ms Woo-Paw: Thank you very much.

The Chair: Ms Calahasen, please.

Ms Calahasen: Thank you, Mr. Chair. First of all, I don't know if this question goes to our Parliamentary Counsel or to the petitioners, but it's regarding the issue of the extraprovincial effect of section 2(2) on this bill. Could you give me maybe a thought in terms of what it means? I thought that as an Alberta government or at least within the province of Alberta, we only deal with Alberta issues, not extraprovincial. Would you mind, Shannon?

The Chair: Well, Mr. Chamberlain, would you care to comment on that, being the counsel for Health and Wellness?

Mr. Chamberlain: In that capacity, Mr. Chair, I'm not sure I can provide legal advice to the committee. I would pass that back to Ms Dean. But I did have a look at that section. It purports to allow the corporation to act outside the province.

Ms Calahasen: But we don't have the ability to do that.

Mr. Chamberlain: No, but our Business Corporations Act and Companies Act would also allow companies to act outside the jurisdiction provided that they complied with whatever laws and requirements were in the other jurisdictions. This type of company, I can imagine, would have problems operating in B.C. or Manitoba or Saskatchewan because they'd have difficulty filing for extraprovincial corporate status given the odd nature of the private act. So I can see there being some issues for them. But the current Caritas act, that is being amended here, has enabled and empowered the corporation to act extraprovincially since 1992.

Ms Calahasen: Okay. Thank you.

The Chair: Counsel for the petitioner, Mr. Ewasiuk.

Mr. Ewasiuk: Yeah. I'll just add that there's no intention to operate hospitals or anything outside of Alberta. The purpose of that is just that you may be involved in a nurse exchange program, or it might be something that's beneficial to Alberta, for people in Alberta, but it may have an extraprovincial component. It's just to make sure that you don't run into any technical legal problems. As Martin has pointed out, you know, not very many people outside of Alberta are going to be that interested in dealing with an Alberta corporation to run a hospital in Saskatchewan, say, but there may be some kind of a teaching arrangement, a secondment or something, that may involve having an extraprovincial dimension to it. That's all. We just don't want to run into any technical legal problems that would create an issue for us.

Ms Calahasen: It's just that when you're looking at something that we can only enact in the province of Alberta – I just wondered why we would put that in there. I know when the Caritas had it. I'm just wondering why we continue to do that if we don't have any jurisdiction elsewhere.

Mr. Ewasiuk: It's just clearer. I just tell you as a lawyer that when you're dealing with these kinds of issues and some guy in Newfoundland is looking at this contract and saying, "Gee, they're an Alberta corporation; can they do this?" there may be lots of reasons why they can, but it's nice if you can look at it in black and white, and there it is. It's not a huge issue. As has been pointed out, it's been there since 1992.

The Chair: I'm going to ask Ms Dean to comment on that issue.

Ms Dean: Thank you, Mr. Chair. There were concerns raised with respect to a provision that parallels the wording of section 2(2) in this act. If you go back to 2006, there was a bill before the committee – and it's actually one of the bills that's the subject of this amalgamation, the Mary Immaculate Hospital of Mundare Act – and at that time there were concerns expressed about the constitutionality of the equivalent of section 2(2). So the committee recommended that that provision be struck from the legislation, and that's how the bill was enacted. My question to counsel for the committee is whether the petitioner would be agreeable to that kind of amendment being recommended.

Mr. Ewasiuk: I don't think we'd have that serious a problem. I think that's the effect of being a natural person anyway under all these modern corporate legislations. I don't think that if we took that out, it would make that big a difference. I don't think it makes

any difference, really, except, like I say, from a practical perspective. When you're dealing with people in other jurisdictions, it's just a lot easier if they can look at something that tells them that in black and white. But if it were deleted, I don't think it would make any difference to us.

The Chair: Mr. Allred, please.

Mr. Allred: Thank you, Mr. Chair. Just before I get into my question, further on this question, are there any implications of the new TILMA with regard to this extraprovincial jurisdiction? Has anybody thought of that?

Mr. Ewasiuk: You're talking about the extraprovincial trade?

Mr. Allred: Yeah, the trade, investment, and labour mobility act, which I guess in theory would allow you to offer services in British Columbia.

Mr. Ewasiuk: We haven't given it any thought from a legal perspective. I don't know if there's been any thought from an administrative perspective.

Mr. Allred: Ms Dean, any comments on that?

Ms Dean: I haven't had the opportunity to look at that particular issue, but I think that some of the comments that Mr. Chamberlain made with respect to the requirements in other jurisdictions would still apply. I would have to take a look at that and report back to the committee.

Mr. Allred: My question, Mr. Chair, was with regard to the broad exemption from directors' and officers' liability. Would you comment on that exceptional power?

Mr. Ewasiuk: Yeah. Again, that's not something that's new. We've had that getting close to two decades now. It's a great benefit to have that kind of provision when you're a nonprofit organization who – I think we have the ability to pay honorariums to our board members, but I'm not sure if we are yet. Patrick can comment on that. These are a hundred per cent volunteers, then, who are risking – I mean, you could think of a theoretical situation where they'd lose their homes. When you're bringing people onto a voluntary board in a nonprofit organization of this size – this is a sizable organization – it's, in my view, unfair to expect of them that they would expose themselves to a ruinous liability.

The Chair: Mr. Allred, to follow up.

Mr. Allred: Yeah. Just to supplement: do you carry directors' and officers' liability insurance?

Mr. Dumelie: Yes, we do.

Mr. Allred: You're covered doubly, then.

Mr. Dumelie: Yeah. We cover ourselves through HBA Services, which is now part of Alberta Health Services. However, whether the sufficiency of that insurance would cover all circumstances: I would say probably not. As Rick has indicated, you know, to attract the kind of governors we require for an operating entity of this magnitude, with this complexity of services – you can imagine that we have hundreds of thousands of interactions with patients on an

annual basis doing very high-tech procedures – you'd have a very, very difficult time attracting the kind of people we require to provide that kind of oversight and governance of this kind of a complex organization without it.

8:50

Mr. Allred: Thank you.

The Chair: Ms Dean, would you like to comment on that particular point regarding the exculpatory clause, if you want to put it that way, of the directors?

Ms Dean: I just would point out to the committee that the liability provision for directors and officers that is in the Caritas Health Group Act is worded the same way, again, as the provision that was in the 2006 bill involving the Mary Immaculate hospital. There was concern expressed with respect to that blanket exemption for directors and officers in the sense that it didn't parallel what exists for counterpart organizations that are incorporated under the Societies Act or part 9. What occurred with respect to the deliberations on that bill was the removal of the directors' and officers' exemption and just maintaining the exemption for members. I just point that out as a bit of recent history for the members' consideration.

The Chair: Dr. Taft, you had a question or comment on that particular point?

Dr. Taft: Yeah. Specific to this when I read section 8, it says, "The members, directors or officers of the corporation are not, as members, directors or officers liable for any liability, act or default of the corporation." It's absolutely without limit, if I'm reading that. In this day and age I think the public has a legitimate concern. I'm not alleging anything, but it seems that in this day and age anything is possible. If there was fraudulent behaviour, if there were serious laws broken, if there was something like that, this clause would seem to me – and I'm not a lawyer, so you can easily correct me; it happens all the time – to forgive or protect people who had undertaken those kinds of behaviours from liability even if they caused real damage to the corporation. You know, we like to think that that would never happen, but, boy, we've seen quite a lot of it recently in other organizations, so I wonder why we need to be so incredibly generous in this clause. Could we not narrow it to any legal cause or something like that?

Mr. Ewasiuk: The wording of that is "any liability . . . default of the corporation." What we're trying to say there is that just because you're a director, you're not automatically liable for something the corporation does.

Dr. Taft: Right.

Mr. Ewasiuk: If you yourself go out and commit an act of negligence, my interpretation would be that this doesn't protect you. If you yourself go out and commit an act of fraud, this is not going to protect you. If, however, the corporation because its funding is cut off immediately can't fund the salaries, if for some reason there's some enormous environmental problem, if for some reason something happens that renders the directors automatically liable solely by reason of the fact that they are directors, then that is extremely unfair. That is the situation we're trying to cover off so that we can say to people when we recruit them: look, so long as you don't do anything, you're not going to lose your home by joining this

organization and bringing us your expertise. The kind of people we like to draw to these organizations are going to be people who will be largely successful in their own right.

Dr. Taft: Oh, I understand and support that. I'm just, as somebody who's not a lawyer, trying to understand the legalities of this. I don't know if Parliamentary Counsel has any comment on that. Am I misunderstanding this?

Ms Dean: The only comment I have, Dr. Taft, is that this type of provision is not in legislation governing similar entities; for example, the Societies Act. This kind of blanket exemption does not exist there.

Mr. Ewasiuk: If I might add to that, again, this has been in effect since 1992, so we're not asking for anything new in this. We're asking just to continue – in fact, we're not even asking; it's just come up because we're amending some other aspects of this act. But we're not looking to change anything. We only want to keep what has been a successful model for us in terms of recruiting talented people to our board.

It is true that you don't find this same section in the Societies Act, but the Societies Act would govern everything from a bowling alley to a community league to situations that are quite different from us. This is an organization that has a budget in excess of half a billion dollars. It is probably the largest nonprofit organization in Alberta. We do need to be able to provide some comfort to our members. There are other organizations that have similar protections in not exactly the same wording. The RHA Act itself, for example, provides some protection for its members.

We're not looking for anything new here. I would certainly implore you to allow us to continue to have this very useful tool in our organization.

The Chair: I'm going to ask if there are any other members that have questions regarding that particular point. Mr. Dallas, was your point on that?

Mr. Dallas: It is in that general area, Mr. Chairman. I think I readily follow the requirement to repeal the existing private acts. Given that we've had a discussion in three areas, one being the public reporting requirement, another being the ability or apparent provision to be able to conduct business outside the province of Alberta – and you've explained your needs in that realm – and the third discussion around officer and director liability, I guess what I want to come to understand is the rationale behind using the private bill to provide for the incorporation. Given that there's other remedy to incorporate these entities, is it simply the issue of director and officer liability that is the primary motivation to utilize this legislative process to achieve that end?

Mr. Ewasiuk: No. It would not be possible to do this through any method other than a private act, and the most sensible one is to use the existing act for the organization that is the largest and has the largest budget, and that is Caritas. So all we've done is taken Caritas, which is an existing act. We could have done a whole new act, same kind of thing, but it's just a lot simpler to bring things into an existing act. But, for sure, we would have to use the private act mechanism. There is no other legal mechanism that would allow us to do this.

Mr. Dallas: Okay. Thank you.

The Chair: Mrs. Forsyth, please.

Mrs. Forsyth: Well, thank you. I'm finding this whole debate very interesting because when I first came in here, I thought it was kind of going to be a slam dunk. Then, you know, listening very intently to members asking questions and Parliamentary Counsel, I go back to one of the questions on TILMA which I think is an interesting question that's come out that is important to understand, so Parliamentary Counsel will have to give us some information.

What I'd like to do is follow up on what Ms Woo-Paw was asking you, and that's the public findings. You know, in my understanding there's been some reluctance to recommend private bills petitions as a method of incorporation given that there are no other options under existing legislation, and you briefly said that you weren't opposed to public findings. So can you make a commitment to the committee that you would provide an annual statement to the registrar of corporations on annual reporting?

I guess the reason that I'm going there is that I had I don't know if you'd call it a privilege to sit on Public Accounts. It became very interesting in the time I was there that the idea of Public Accounts was to start calling in more private companies and questioning on public accounts. When I was on the committee, they were going to the regional health authorities, et cetera, so that they could start challenging them on their reporting.

So I think it's imperative especially – and, Martin, maybe you can answer this question – in that some of these corporations are going to be receiving money from Alberta Health and that somebody needs to know where the money is being spent because if somebody wants to google or challenge anything at this point in time on your new organization, nothing will come up. So I guess my question is: would you be willing to commit to annual reporting to the registrar of corporations?

9:00

Mr. Dumelie: As I said earlier, you know, I think our organizations have a long history of being good stewards of public resources and a history of transparency. The one point that I would correct for you is that we don't receive funding from Alberta Health and Wellness; we actually receive funding through Alberta Health Services. The authority receives the resources. They in turn contract to provide us services. There is an accountability mechanism built into the agreements that we've negotiated and continue to negotiate with Alberta Health Services, and we provide that reporting to them. Having said that, I don't believe we would have any objection to filing and being transparent with how we expend those resources in any way.

Mrs. Forsyth: If I may, Mr. Chair, just one other thing.

The Chair: Yes, please.

Mrs. Forsyth: I think you mentioned, Rick, about having this bill enacted on the 1st of April.

Mr. Ewasiuk: Effective April 1, yes.

Mrs. Forsyth: I'm not a lawyer; I will get that on the record. I'm not sure if it's possible that we can even do that because we don't make a decision till the 14th of April. With some of the questions that the committee has been asking, for Parliamentary Counsel to get some of the answers back on TILMA and a couple of other things, how much of a hardship would it be for you if we didn't give you that March 31 year-end date?

Mr. Dumelie: I think it would be a significant hardship both from a financial resources perspective and also a human resource perspective for our organization. It would mean that we would undergo an additional audit of all of our 12 entities. I can't think off the top of my head – I would maybe look to our chair for the audit fee – but I believe that around \$150,000 for the audit fee would be incurred and, in addition to that, all of the time of our financial accounting staff to undergo a separate audit. So it would be a significant issue for us.

Mrs. Forsyth: Okay. Well, I just got the nod from Shannon that it can be done.

Thank you.

The Chair: Mr. Benito, please.

Mr. Benito: Good morning. Thank you very much, Mr. Chair. Since the situation of a nursing shortage exists in the province of Alberta, if it is amalgamated, will your amalgamated group be recruiting nurses separately from Capital health, or will it be a joint force?

Mr. Dumelie: We do a bit of both in terms of the recruitment piece. We have a history of working collaboratively with the regional health authorities. Recruitment, especially as it speaks to international recruitment, we also do some of that on our own. You know, one of the things that draws people to our organization is our unique mission. It speaks to people oftentimes about why they decided to become a nurse or other professional but also speaks to their faith and how they can live their faith through their work. We do recruit independent of Alberta Health Services, but we do that collaboratively, and we work together with them, especially as it relates to long-term planning and human resource planning for the province.

Mr. Benito: My second question, Mr. Chair. I missed the answer on the liability of the directors. Can somebody clarify that again?

The Chair: You're free to ask the question.

Mr. Benito: I may not have been listening or I missed the answer on the liability of the directors' acts or default of the corporation. Was that explained already?

Mr. Dumelie: Yeah, it was. In a nutshell, you know, what we're asking for is the same provision that has existed for the Caritas Health Group since 1992, which would provide some relief for the directors from liability. I think, as Mr. Ewasiuk has indicated, that would be for all acts of the corporation. It wouldn't cover off individual acts such as were cited, something that would be illegal or fraud or something of that nature. It's very, very important to us that we maintain this provision that we've enjoyed for almost 20 years given the types of people that we recruit to these positions. It would be very, very difficult for us to recruit the talent that we require to have good governance in our organization when individuals could suffer catastrophic losses as a result of their volunteer efforts on our behalf.

Mr. Benito: Thank you, Mr. Chair.

The Chair: Ms Calahasen, you had a point?

Ms Calahasen: Yes, Mr. Chair. On this point can you tell me if you've ever experienced any problems with that section of the

liability issue? Was there anything that you have ever had to deal with under this section in any of the organizations?

Mr. Dumelie: No, not to my knowledge. We've had issues with liability, of course, all of which have been dealt with through our insurance carrier.

Ms Calahasen: Okay. Thank you.

The Chair: Mr. Boutilier.

Mr. Boutilier: Yes, Mr. Chairman. My question. Earlier the petitioner made reference to a letter by Alberta Health Services. I was wondering if Mr. Chamberlain could comment on the content of the letter in light of the fact that this service is being contracted by Alberta Health Services. I don't have a copy of the content of the letter, but I want to be, specifically, one hundred per cent certain of what the letter is saying and if there's any cautionary note relative to what is being said.

The Chair: Mr. Chamberlain, are you aware of the letter that's being referred to?

Mr. Chamberlain: Yes, I am, Mr. Chair. I'll read it for the record if you like. It's dated March 6. It's a letter to Mr. Dumelie from Linda Miller, deputy minister. It simply says:

Thank you for your letter dated February 10, 2009 regarding a Private Act Amendment to facilitate the formation of Covenant Health. We have no comments on the proposed draft and thank you for bringing it to our attention.

Mr. Boutilier: Mr. Chairman, my question on that. It strikes me – I'm sure members of the committee would agree – that I'm not really quite sure what that letter is saying other than that it's a letter saying that we have no comment. I'm just wondering if, in fact, someone from Alberta Health Services could elaborate on the purpose of the letter. It doesn't strike me as exactly the most helpful letter to the petitioners today.

The Chair: Ms Dean, would you care to comment on the letter?

Ms Dean: Just for clarification, there was a letter sent directly through my office, and it's for the committee's benefit. It references Bill Pr. 2, and it does say that Alberta Health and Wellness has no concerns with Pr. 2. That's the extent of the comments in the letter.

The Chair: Further comments? Mrs. Sarich, please.

Mrs. Sarich: Thank you very much, Mr. Chair. After hearing through the presentation – and correct me if I'm wrong – that your operations are over half a billion, you're provided funding from Health Services, and you spoke about the accountability. Although it served the Caritas group very well for a period of time, I guess that where I'm struggling is in the area of directors' and officers' liability and what you're asking for from this committee.

Given those points that I just indicated from your presentation – and I hear what you're saying about the struggle that it may impose when it comes to the recruitment of individuals sitting on a board – I guess what I need perhaps is a little bit more information to contrast this with other not-for-profits that would have directors' and officers' liability just to see what it is that's out there from those types of entities and to contrast that with what you're asking or what has served you very well. Frankly, in these economic times, which

have changed dramatically, all organizations are examining accountability, transparency maybe to a higher spectrum and being a little bit more rigorous and litigious in this particular area.

I would ask through the chair if it would be possible to get more information, as I'm requesting, to help perhaps in the further deliberations on this particular area and to create a greater level of understanding of what is being asked here. You know, I appreciate from the presentation the volunteer recruitment of individuals. Also, I guess you're asking to place faith in that recruitment ability, really, that you're going to have stellar people come onboard and that there wouldn't be any problems. Perhaps there hasn't been any history in the past, but what are the assurances for the future? I suspect that other entities have a slightly different approach to the directors' and officers' liability and a different requirement than what you've been accustomed to since 1992-93, somewhere in there.

9:10

Mr. Dumelie: If I could maybe give an additional comment to that. You know, I would argue and put for your consideration that there is only one like, comparable organization to compare us to, and that would be Alberta Health and Wellness. You know, I think, as Mr. Ewasiuk has said, we're not a community association or a group of that ilk. We operate two major hospitals in Edmonton, that require us to do very, very complex medical procedures, including things like iRSM, which is our reconstructive surgery, and everything from tertiary services on down to seniors' care.

The complexity of that operation requires this level of protection for those officers, or in fact, as you indicated, not only would we not be able to recruit the talent we would aspire to have within this group of directors, but it may have the reverse effect, that we're not able to get the kind of individuals who can provide the proper governance and oversight for this kind of a complex organization. In seeking that information, I would offer to you that the comparator should be Alberta Health Services. They're the only other organization in this province that operates complex tertiary acute-care services.

Mr. Ewasiuk: If I can just add to that, Mr. Chairman.

The Chair: Yes.

Mr. Ewasiuk: It's important to remember that the RHA, as Patrick has pointed out, is the best comparator. That's backstopped by the province of Alberta. I expect that the structure is this. I could be corrected, but I expect that all of these directors or members of the RHA are indemnified by the RHA. The RHA would have to fail before anybody would chase them. So the practical difference is significant. You can attract the board member, again also at a fairly decent honorarium, which I don't criticize at all – I think we're in the neighbourhood of \$60,000 a year – to join the membership of that board knowing that really the only liability issue that would come up would be if the RHA itself totally failed. You have to put that into a practical framework. That's very, very, very unlikely.

The Chair: Mr. Allred, followed by Dr. Taft.

Mr. Allred: Thank you, Mr. Chair. I just want to go back to the comment of Mrs. Forsyth on the public filings. She suggested that a filing be made with the registrar of corporations. I guess I question if that would be appropriate since they're not registered with the registry of corporations, and it would be more appropriate to have them filing with the Alberta Legislature on an annual basis. Would that be feasible? Practical is maybe a better word.

The Chair: Mr. Dumelie, do you wish to comment?

Mr. Dumelie: To be honest with you, I don't understand the difference or the significance of either, so I don't know that I'm able to provide any insight or comments. I don't know if Mr. Ewasiuk can comment on this.

Mr. Ewasiuk: Not much more. I mean, we've had experience in the past where we've tried to file things with the corporate registry, and they wouldn't accept them because there's a provision that says that all of these organizations are supposed to file annual returns. We've tried, and they wouldn't accept them because it doesn't fit in their process. So there's a practical side to all this as well.

Mr. Allred: I guess my point was that it's very common for statutory corporations to file an annual report with the Legislature. Would that not be more appropriate? I wouldn't think that that would be onerous at all, and it would be public information then.

The Chair: Ms Dean, do you wish to comment on this issue?

Ms Dean: I just wanted to follow up with respect to Mr. Ewasiuk's comments about difficulty registering documents with the registrar of corporations. This may be the solution with respect to registering documents. I can't speak for the registrar, but in doing the briefing for the committee, I looked at two other private act entities to see if there were any annual public filing requirements, and there are precedents for this type of thing. For example, the Calgary Foundation provides annual filings to the registrar of corporations. So if a member of the public wants to go to a registry office, they can plug in "Calgary Foundation," and they can get information even though it's not an entity incorporated by a public act.

I just point that out for your information, but I also have a question on that point. I mean, the committee seems to be interested in some form of public transparency and whether the petitioner would entertain things like annual financial statements being filed with the registrar, a list of members of the board, copy of the bylaws and any bylaw changes, that type of thing. Would you have any objections to those types of requirements?

Mr. Dumelie: No. We have no objections to that.

Mr. Allred: Mr. Chair.

The Chair: Mr. Allred, a follow-up.

Mr. Allred: Can I just follow up with Ms Dean? Is there any problem with filing an annual report with the Legislature?

Ms Dean: There isn't. I'm just suggesting that a member of the public may have better access to information with the registrar of corporations than accessing a sessional paper.

Mr. Allred: Okay. Thank you.

Dr. Taft: I've got two streams of questioning. We've engaged a lot in some of the legal issues. There are other issues that I've got a question on, but just on this liability one, since it is an issue here, it would be interesting to compare how school boards are protected, how this issue is managed for universities. I imagine the universities are engaged in all kinds of tricky research and so on, so it would be interesting to get some comparators from there. I do note that three of the organizations involved are incorporated under the Companies

Act, so three of them are already handled that way. Anyway, a little bit of history, a little bit of perspective might help resolve this.

The Chair: Well, Dr. Taft, I'm going to just ask you, perhaps, if we could defer that to a later discussion.

Dr. Taft: Yes. I agree.

The Chair: It's sort of an antecedent to our actual deliberations.

Dr. Taft: That's right.

The Chair: I think that's appropriate.

If anyone has specific questions of the petitioners . . .

Dr. Taft: I do. That was sort of preliminary.

I want to set the legal issues aside for a minute, Mr. Chairman, because there are other issues here, strategic issues here, that I think we as representatives from around Alberta need to consider. These organizations that we're consolidating into one have very deep, long local histories. I've professionally been at quite a number of these, in places like the Killam general hospital or the St. Joe's in Vegreville. You know, all of these are deeply, deeply rooted in their communities. Mr. Dumelie referred to that. Most of them predate our public health care system. These are the roots of public health care. This is communities coming together to care for each other. A lot of these initial buildings were built by, you know, the local farmers and the local town councillors, and a lot of the local towns actually helped fund these.

I'm very concerned that we are losing that. In fact, we're not just losing it; we're wiping it out in this bill. I know we're going to get some different responses here. Personally, I don't like the direction that Alberta Health Services is taking the entire system. I think it's a mistake. That's a different debate, but this is precipitated by that trend with Alberta Health Services, if I understood some of the introductory comments. I'm very concerned about the strategic direction this bill takes health care for people in all of these communities around Alberta. The loss of local authority, local input, local control, local responsibility, the loss of community speak very loudly in this bill, and that, more than the legal issues, is my biggest single concern. So I'd appreciate some discussion on that.

The Chair: Dr. Brennan, do you wish to comment?

9:20

Dr. Brennan: I'd be most pleased to. This has a dimension about which we are most proud of the developments that we've undertaken. First off, the committee that indeed discussed the coming together was the chairs of all of those boards in all of the locations. The base principle that was espoused by all was that the boards that those individuals were chairs of continue, and they all now still exist. All of the community boards that were in place are still in place as community boards and operate as entities that are in essence subcommittees of the board that I chair, the provincial board. In addition, members of those boards serve on other committees of the provincial board. So we have not eliminated the local control but embraced the local impact on our organization.

I'm in the process of conducting a bit of an internal attitude survey of these boards and getting input from them that indicates that the way in which we have been operating in the last six to eight months has been very productive for them in terms of their ability to access expertise, access skills that were not resident locally from the provincial endeavour. So my judgment at the moment is that,

indeed, all those organizations are in better position to serve the local needs.

Dr. Taft: Mr. Chairman, could I just ask a follow-up? Then I'll be quiet for a few minutes.

The Chair: Yes.

Dr. Taft: How are those board members appointed? What's the mechanism for selecting those local community boards, and how has that changed from what was there last year to what will be there next year?

Dr. Brennan: Technically and legally our board appoints the community boards – that is, the board of the provincial organization appoints those boards – but we appoint them on the basis of the recommendation from the local community. Our board, the provincial board, is appointed by the members, the bishops, and the bishops have asserted as a base principle a word that I learned in this process, the word subsidiarity; that is, the principle that the local impact must be maintained. The local dimension is absolutely essential to the success of the organization. So those board members, in fact, are all the same board members. New board members have been appointed but only on the recommendation of the local boards.

Dr. Taft: Thank you.

The Chair: Mr. Doerksen, followed by Mr. MacDonald, followed by Mrs. McQueen.

Mr. Doerksen: Thank you, Mr. Chair. A very quick question for the petitioners: are you aware of any economic or financial benefit that occurs as a result of having the directors' and officers' liability exempted in the wording here? Like, is the directors' and officers' liability insurance less expensive as a result of that? Are you aware of that? Is there an impact there at all?

Mr. Dumelie: I hadn't thought of it from that perspective. It should be, but I don't believe that we've afforded any benefit over the years as a result of it. We're part of the collective that would be HBA Services, so we pool our collective risk and our resources with now it will be Alberta Health Services, previously with the former health regions. I'm not aware of the intricacies of the formula, but there's a sharing of that risk and also the cost associated with the insurance for the province.

Mr. Doerksen: Okay.

The Chair: Mr. MacDonald, please.

Mr. MacDonald: Thank you, Mr. Chair. Mr. Ewasiuk, in your opening remarks you suggested there may be consequential amendments to other statutes regarding this matter. Can you provide us, please, with a list of those amendments?

Mr. Ewasiuk: Sure. A lot of these entities were incorporated under private acts, so we'll be repealing those acts.

Mr. MacDonald: But to other statutes that are the basis of the law in this province, there are no other consequential amendments?

Mr. Ewasiuk: No.

Mr. MacDonald: Thank you.

The Chair: Any comments on that?

Then, Mrs. McQueen, please.

Mrs. McQueen: Thank you, Chair. First of all, I'd like to thank you today for being here and for the great presentation that you did and the role that you play in Alberta with health care delivery. I think it's an exceptional role. I'm going to have a question at the end, but I just want to clarify for myself. My understanding is that the reason you're here today is you're trying to bring together these groups, amalgamate them, and this is the only avenue you have to do that. With regard to liability, you currently have those and have had that in place for the last 20 years. I used to instruct board development across the province for not-for-profits, and I know it would be quite normal if groups were coming together to look at their bylaws to bring those bylaws together. It would be quite normal to bring those bylaws together and look at the best of the bylaws. My understanding is that you're taking Caritas's bylaws, which have been in place, and that the only reason that you are here today is indeed to amalgamate what you already have and not change anything that's been there in the past. Is that correct?

Mr. Ewasiuk: That's essentially correct. We're not really changing anything or wanting to change anything other than the fact that legally we want to melt these 12 organizations together into the same ball of wax.

Mrs. McQueen: Correct. So the liability issue, you've had that with Caritas for over 20 years, and the only reason you are here today is because there's no other avenue for you to amalgamate. That's why you're here today.

Mr. Ewasiuk: That is correct.

Mrs. McQueen: I guess in saying that and looking at it just a little bit differently than others, certainly, you know, if this has been here and this is the only place for them to actually come together and amalgamate, I have no issue with what they currently already have in place and support that within a new bill and that their reason for being here is because this is the only avenue for them to come to bring together this group.

Thank you, Mr. Chair.

The Chair: Mr. Bhardwaj, please.

Mr. Bhardwaj: It's just, actually, a clarification. It's been answered, I think, once already in terms of appointment of the boards, the provincial board and the local boards. Could you explain that one more time briefly, please?

Dr. Brennan: I'll start with the provincial board. The members of the board are appointed by our members, which are the bishops. That's the basis of our appointment process. Of course, we as a board have a governance committee that seeks out potential board members and proposes nominations to the bishops for their consideration, but they have the power to appoint the board. Then the board thereby appointed is responsible for appointing the board members of the community boards. From day one in this process we have embraced the idea that the local community boards are the representatives of the communities, so they identify who is to be appointed. I guess we could envisage a situation where there was a disagreement, but there certainly has not been one to date. Our board then appoints the board of community boards.

Mr. Bhardwaj: Just one supplementary to that. This question was asked once already. Do you have anybody on your current boards who would be a non-Catholic?

Dr. Brennan: Yes, we do.

Mr. Dumelie: As well, the community boards themselves have many that are non-Catholic.

Mr. Bhardwaj: Okay. Thank you.

Dr. Brennan: If I might add that the predecessor corporations, Caritas, did as well.

Mr. Bhardwaj: Thank you very much.

The Chair: Are there any further questions? Mr. MacDonald, please.

Mr. MacDonald: Yes. Thank you, Mr. Chair. This question is for Ms Dean, please. In the *Alberta Gazette* on February 14, 2009, there was a notice of application for the amendment of the private act here. At the conclusion of that notice is a public alert, that anyone with any issues surrounding this matter could contact Parliamentary Counsel. Has anyone in the 15 days since session started contacted your office in writing or by telephone?

9:30

Ms Dean: No. As noted in my report, our office has received no comments on this bill.

Mr. MacDonald: Okay. Thank you.

The Chair: Are there any further questions?

Seeing none, then I will advise the petitioners that the committee will meet on the 14th of April to deliberate on the bill. You will be advised in due course of the outcome of those deliberations.

I want to thank you all for your attendance at the hearing today and for your patience in answering many questions of the committee members. Thank you very much, and good luck.

Mr. Ewasiuk: Thank you very much. Thank you all.

The Chair: That concludes your hearing.

[Sister Fallu and Mr. Gibson were sworn in]

The Chair: Good morning to our guests. Just a preliminary note that you do not have to operate the microphones that are in front of you. The *Hansard* staff will take care of that. I just want you to also be aware of the fact that the proceedings are recorded by *Hansard*, and they are in fact streamed live on the Internet. Welcome to the digital age.

I will just now invite our guests to introduce themselves, followed by an introduction of all the members of the committee, please.

Bill Pr. 3, Les Filles de la Sagesse Act Repeal Act

Mr. Gibson: Good morning. My name is Russell Gibson, and I'm legal counsel to the Daughters of Wisdom. Here with me I have Sister Jocelyne Fallu, who is the provincial superior of the Daughters of Wisdom. The Daughters of Wisdom, I believe, is the name that the religious order is best known by in Alberta. Elsewhere they are also known by the name Les Filles de la Sagesse.

The Chair: Mr. Quest, beginning with you, please.

Mr. Quest: Good morning. Dave Quest, MLA, Strathcona.

Sister Fallu: My name is Jocelyne Fallu, and I'm the provincial superior of the Daughters of Wisdom.

Dr. Taft: I'm Kevin Taft. I'm an MLA from the Edmonton area.

Mr. Rodney: Hi there. Potential son of wisdom Dave Rodney, MLA, Calgary-Lougheed. Potential, I repeat.

Mr. Amery: Good morning. Moe Amery, Calgary-East.

Mr. Bhardwaj: Good morning. Naresh Bhardwaj, Edmonton-Ellerslie.

Mr. Jacobs: Good morning. Broyce Jacobs, Cardston-Taber-Warner.

Mr. Dallas: Good morning. Cal Dallas, Red Deer-South.

Ms Woo-Paw: Good morning. Teresa Woo-Paw, Calgary-Mackay.

Ms Marston: Good morning. Florence Marston. I'm the assistant to this committee.

The Chair: I'm Neil Brown, the chair of the committee and the Member for Calgary-Nose Hill.

Ms Dean: Good morning. Shannon Dean, Senior Parliamentary Counsel and counsel to this committee.

Mrs. Forsyth: Hi. Good morning. My name is Heather Forsyth, and I'm from Calgary-Fish Creek.

Mr. Olson: Good morning. Verlyn Olson from Wetaskiwin-Camrose.

Mr. Sandhu: Good Morning. Peter Sandhu, MLA, Edmonton-Manning.

Mrs. McQueen: Good morning. Diana McQueen, MLA, Drayton Valley-Calmor. Welcome.

Mr. Doerksen: Good morning. Arno Doerksen, Member for Strathmore-Brooks.

Mr. Benito: Carl Benito, MLA, Edmonton-Mill Woods.

Mrs. Sarich: Good morning and welcome. I'm Janice Sarich, MLA for Edmonton-Decore.

Ms Calahasen: Pearl Calahasen, Lesser Slave Lake.

Mr. Allred: Ken Allred, St. Albert.

The Chair: Mr. Gibson, would you care to address the committee regarding your petition, please.

Mr. Gibson: I would. Thank you, Mr. Chairman. Thank you for the opportunity to briefly speak to the reasons the petitioner has requested . . .

The Chair: I'm sorry. Just one moment.

Mr. Olson: Guy Boutilier was trying to introduce himself.

The Chair: Oh, sorry. Guy, are you still there?

Mr. Boutilier: Thanks, Mr. Chair. Guy Boutilier, MLA, Fort McMurray-Wood Buffalo.

The Chair: My apologies.

Mr. Boutilier: I don't think I'm in mind there either, Mr. Chairman.

The Chair: You're right. Next time we're going to put a little cardboard outline in front of us here just to remind ourselves.

Mr. Boutilier: Thank you. Sorry to interrupt.

The Chair: Mr. Gibson, please.

Mr. Gibson: I'd like this morning to present three principal reasons the petitioner sought a private bill to dissolve their corporation. I will in a moment invite Sister Fallu to speak to the principal reason. What I would like to say briefly is that where at one time the sisters were 70 or more in the province of Alberta, the demographic reality today is that they number only 7. This is a phenomenon that is not unique to this religious community; many other Roman Catholic religious communities are experiencing the same issues.

The reasons for the dissolution relate not only to the declining membership, which necessitated a corporate response. Religious communities operate through civil corporations, which are their civil expression of the work that they do. The sisters were incorporated by a private bill in 1911, and the corporate law in Alberta requires a bill, then, to repeal the act that incorporated them if their corporation is no longer operative.

Effective June 30, 2005, Les Filles de la Sagesse, known also as the Daughters of Wisdom in Alberta, unified with two other religious provinces. These provinces were Ontario and Quebec. This was necessitated for financial, administrative, and human resource considerations. The successor corporation that they created wasn't a merger; it was a federal corporation. It was incorporated under the Canada Corporations Act. It was established to operate in the provinces of Alberta, Quebec, and Ontario, and it is a duly registered corporation in Alberta.

9:40

The result of this reorganization in June 2005 is that some three and a half years later the corporation that the sisters operate in Alberta is no longer effectively operative. The successor corporation is also a registered charity. It has similar objects but is designed simply to simplify the administration for the sisters and to allow them to deal with the demographic reality I described earlier. In my view, there are no legal or technical reasons not to dissolve the corporation. I won't repeat with the committee the evidence that's set out in the statutory declaration I presented, but perhaps Sister Fallu would like to say a few words, Mr. Chairman, with your indulgence. The key reason relates to the declining membership here in Alberta.

Sister Fallu: I'm happy to be able to. Thank you for welcoming us at this hearing. The Daughters of Wisdom started here, out west, in Red Deer in 1908, and they started the Catholic education. The numbers were wonderful. They came from out east – they came

from France originally – and some of the young women from out west became Daughters of Wisdom. But as the years have gone by, as you well know, the numbers were dwindling. The sisters are elderly. We actually have seven sisters still out west. Five are with the Sisters of Providence here at Providence centre. One is in an apartment here in Edmonton, and the other is in an apartment in Red Deer, still well taken care of by the people of Red Deer. We're taking care of them from out east, so it's almost difficult to keep up a legal statute here, out west. The whole province of Canada is one now, and we ask your indulgence in understanding this.

The Chair: I'll ask for questions from the committee, please. Ms Calahasen, followed by Mrs. Forsyth.

Ms Calahasen: Just one question. I know we've received late the information that you provided for us, and thank you very much, but some of it was in French, and I'm not sure if there's anything in there that we should be aware of that would constitute any problems or create problems for us or for yourselves.

Mr. Gibson: Thank you for your question. If I could make two comments in reply. The principal document that you have before you in French is entitled – I'm going to read it with an English accent – Convention intervenue pour transfert d'actifs et déclaration d'un don désigné. What this agreement does, if I could speak to it maybe – and I'm happy to go through it in detail, but if I could just give you a high-level review of this particular agreement, what it is is a gift. It's a document that evidences a gift. This is a common way for charities to transfer assets between them. It's also the way that assets are transferred between charities that is endorsed by the Income Tax Act. Essentially what this document does is gift all of the assets of the old corporation to the new.

My second comment. In this particular document and in reviewing the private bill, there is one what I'll call technical inaccuracy in the preamble of the draft bill you have before you in that it refers to liabilities transferred to the new corporation. I can refer you to where that is, perhaps, in a moment, but if I could just comment that you don't normally gift liabilities in this type of documentation, but there being none at the time that the gift was made, meaning that there were no liabilities, there were none transferred.

In our view the bill would be acceptable to the petitioner. As is, however, to be technically accurate, that word, in my view, should be struck. However, I can say to you – and it's in our materials – that there are no liabilities or other debts or obligations existing at the present time under Canadian law and other laws of provincial jurisdiction. I am assuming that there would be a prohibition on doing that. The sisters waited more than three years to seek dissolution. They've advertised extensively. I might just add in passing that they did not operate a residential school or any undertaking that might be viewed as of some concern.

Really, when you look at this particular document in French, the mechanism for gifting assets usually doesn't include a gift of liabilities, and there being none, none were transferred. I assume these statements and our materials form part of the public record with regard to the passage of this bill.

So I would urge the committee to consider deleting the words "and liabilities" from the preamble, but should you in your wisdom decide not to, the petitioner would ask that you endorse the bill as presented for the reasons we noted.

The Chair: Mr. Dallas, please.

Mr. Dallas: Thank you, Mr. Chair. Welcome to Sister Fallu and Mr. Gibson. I'm very pleased to be the member to sponsor this

private bill. I want to share very quickly with the members that the Daughters of Wisdom organization, the sisters that have spent time in Red Deer, have left a treasure of service to our community, and the organization holds a reputation of the highest order both in Red Deer and our region. As Sister Fallu suggested, with the beginnings of the organization in 1908 most recently there was a celebration in Red Deer celebrating 100 years of service to the church but also to our community.

Noting the suggestion with respect to a potential amendment in the preamble, I believe that we'll be discussing that at the deliberation portion of this. Whether it's material or not, I think it's appropriate that we do have that discussion. Having reviewed the declaration and the material, I'm comfortable with where we're at today.

Thank you.

The Chair: Any further questions?

Dr. Taft: We've talked about liabilities, and perhaps I've missed something in the background. Are there assets involved? Are you transferring assets?

Sister Fallu: That has been done. When we did that bill, that was all done in 2005.

Dr. Taft: Okay.

Sister Fallu: We had come together in 2004, and that was all transferred in 2005. But we kept it open, as our lawyer said very clearly, so that if anything was pending, people did have time to come back to our community, and it has not happened.

Dr. Taft: Okay. Thank you very much. That's reassuring.

The Chair: Well, perhaps Mr. Boutilier, who is listening, could advise us on the specific meaning of clause 7 of exhibit B that was posted on the website. Mr. Boutilier, are you there? Okay. He must have disappeared.

As I understand it anyway, Mr. Gibson, according to the provisions – and my French is not perfect – while the assets were previously transferred, the debts and obligations and liabilities of the corporation were retained with the Alberta Les Filles de la Sagesse. However, in light of the fact that almost three years have passed, can I take it that there has never been any intimation of a lawsuit or any potential liability which has come to your attention?

9:50

Mr. Gibson: That is correct, and there were no liabilities at the time in 2005 either.

Ms Calahasen: On that point, you indicated that the sisters have never been involved in residential schools. So that's pretty clear.

Sister Fallu: That's right.

Ms Calahasen: Thank you.

The Chair: Any further questions? Mr. Allred, please.

Mr. Allred: Yes, Mr. Chairman. Perhaps to our legal counsel: what would the statute of limitations be on an organization of this nature?

The Chair: Generally, two years from the date of discovery.

Ms Dean: I hate to say this, but it would depend. It can be two years, in some instances six. If you want me to explore that further, I can.

Mr. Allred: Okay. So it would be two years, basically, in contract. Is that the way it is: two years in contract, six years in tort, and a maximum of 10?

The Chair: There's a general rule in the Limitations Act that it's two years from the date of discovery.

Mr. Allred: Discovery. Thank you.

The Chair: There's an ultimate limitation in the Limitations Act – and I've got several lawyers around here that have been involved more recently than me – and that is 10 years, right? We can address that, Mr. Allred, for you in some further detail in advance of the deliberations.

Are there any further questions, then, before we adjourn?

Mr. Dallas: Mr. Chairman, just a point of clarification regarding that. If my recollection is correct – and I haven't got it right in front of me here – the original 1911 legislation had a provision whereby there was the ability of the organization to transfer the assets or

liabilities of the organization in any event. Given that's the way it existed to this date, while it might be interesting to understand the potential implications of that, I'm not sure that it's significant in the sense that the existing legislation provided for that ability to do that transfer.

The Chair: Anything further?

Then I will thank the petitioners for their appearance today and for their patience in answering questions. I will advise you that the committee will deliberate regarding your petition on April 14 at our next meeting. You'll be advised in due course of the outcome of those deliberations. Thank you very much. That fulfills this part of the hearing.

Sister Fallu: Thank you very much. It has been interesting.

Mr. Gibson: Thank you.

The Chair: Now, committee members, are there any other issues or business to come before us today?

Then I would ask for a motion to adjourn. Mr. Bhardwaj. All in favour? Carried. Thank you.

[The committee adjourned at 9:54 a.m.]

